MIECO

MIECO CHIPBOARD BERHAD

(Registration No. 197201001235 [12849-K])

ANNUAL 2025 REPORT

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

ANNUAL REPORT 2025

MIECO

MIECO CHIPBOARD BERHAD

(Registration No. 197201001235 [12849-K])

No. 1, Block C, Jalan Indah 2/6,
Taman Indah, Batu 11, 43200 Cheras,
Selangor Darul Ehsan, Malaysia

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www.mieco.com.my

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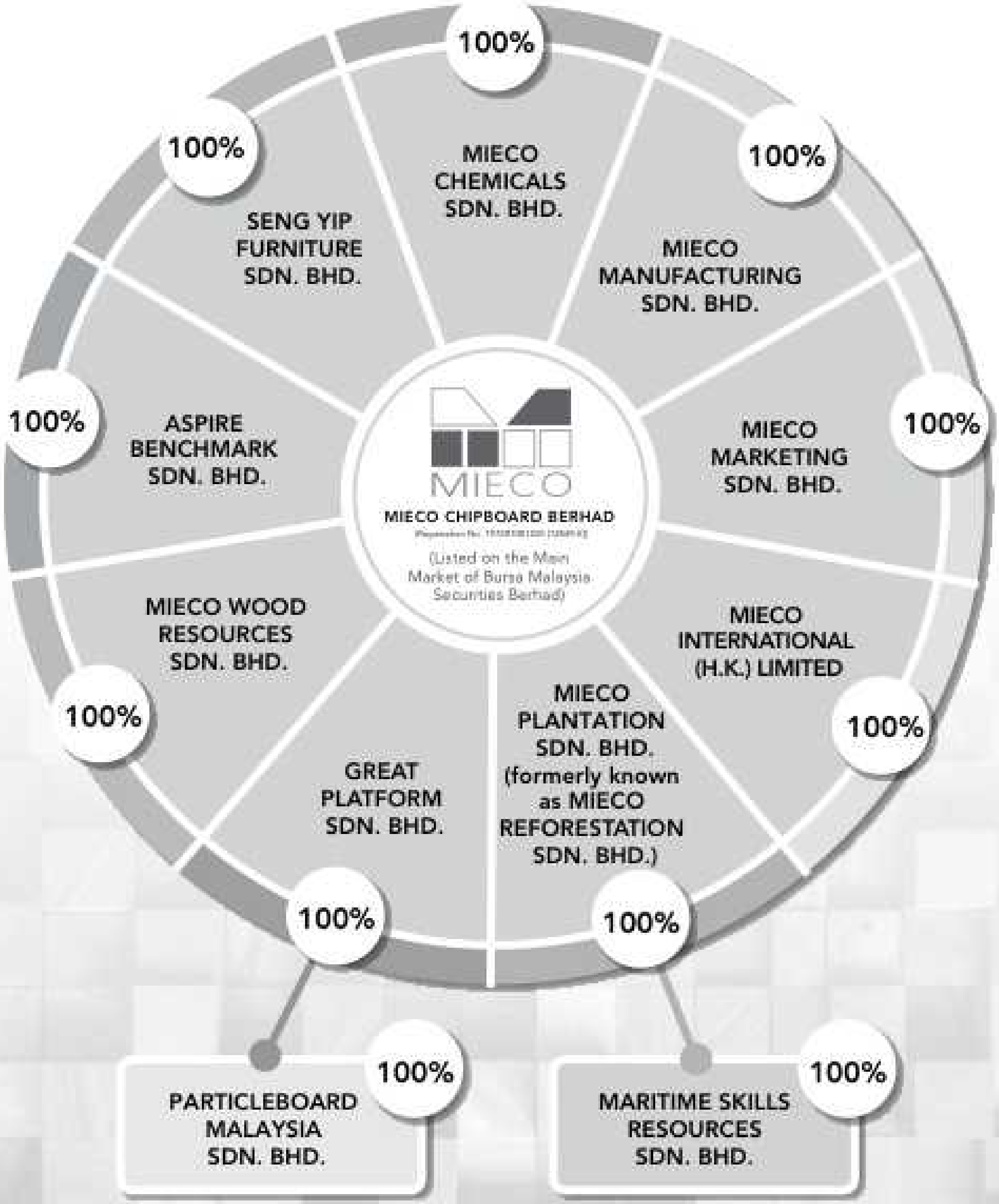
GROUP CORPORATE STRUCTURE

AS AT 9 APRIL 2026



CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Dr. Roslan Bin A. Ghaffar
Independent Non-Executive Chairman

Dato' Sri Ng Ah Chai
Group Managing Director

Mr. Ng Wei Ping, Keith
Executive Director

Mr. Cheam Tow Yong
Independent Non-Executive Director

Mr. Kajendra A/L Pathmanathan
Independent Non-Executive Director

Madam Tan Poh Cheok
Independent Non-Executive Director

Datuk Chua Hock Gee
Independent Non-Executive Director

AUDIT COMMITTEE

Mr. Cheam Tow Yong
(Chairman)
Mr. Kajendra A/L Pathmanathan
Madam Tan Poh Cheok

NOMINATION & REMUNERATION COMMITTEE

Mr. Kajendra A/L Pathmanathan
(Chairman)
Mr. Cheam Tow Yong
Madam Tan Poh Cheok

REGISTERED OFFICE

No. 1, Block C, Jalan Indah 2/6
Taman Indah, Batu 11
43200 Cheras, Selangor Darul Ehsan
Tel : 603 - 9075 9991
Fax : 603 - 9080 7991
Email : cosec@mieco.com.my

PRINCIPAL PLACE OF BUSINESS

No. 1, Block C, Jalan Indah 2/6
Taman Indah, Batu 11
43200 Cheras, Selangor Darul Ehsan
Tel : 603 - 9075 9991
Fax : 603 - 9080 7991

Lot 3, Kawasan Perindustrian
Kechau Tui, 27100 Padang Tengku
Pahang Darul Makmur
Tel : 609 - 327 2000
Fax : 609 - 327 2020

WEBSITE

www.mieco.com.my

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

STOCK CODE

MIECO 5001

SECRETARY

Ng Geok Lian
LS No. 0007155
(SSM PC No. 201908002080)

REGISTRAR

Metra Management Sdn Bhd
35th Floor, Menara Multi-Purpose Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : 603 - 2698 3232
Fax : 603 - 2698 0313
Email : metrasrd@metra.com.my

AUDITORS

UHY MALAYSIA PLT
202406000040 (LLP0041391-LCA) & AF1411
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

BANKERS

OCBC Bank (Malaysia) Berhad
Hong Leong Bank Berhad
Affin Islamic Bank Berhad
Maybank Islamic Berhad
HSBC Bank Malaysia Berhad

DIRECTORS' PROFILE

DATUK DR. ROSLAN BIN A. GHAFFAR

Independent Non-Executive Chairman

Age 73 | Malaysian | Male

Datuk Dr. Roslan Bin A. Ghaffar, was appointed to the Board on 18 February 2019 as an Independent Non-Executive Chairman of Mieco Chipboard Berhad.

Datuk Dr. Roslan has over 30 years of experience in the areas of economics, finance and investment. He holds a Bachelor of Science degree from Louisiana State University, Baton Rouge, USA, and obtained a Ph.D. at the University of Kentucky, Lexington, USA. He has done over 30 years of public service and has extensive experience in overseeing corporate organizations.

Datuk Dr. Roslan was awarded the Kesatria Mangku Negara in 1998 and Johan Setia Mahkota in 2002 for his service to the government, particularly the Employees Provident Fund. In 2018 he was also conferred the Darjah Pangkuan Seri Melaka (DPSM). Apart from receiving the academic degrees he also attended various executive training programs which has included the Harvard Premier Management Program in 2006.

In 1974, Datuk Dr Roslan started work at Lembaga Pertubuhan Peladang Malaysia as an assistant credit officer upon completion of his Diploma studies at University Putra Malaysia (UPM). In 1975, he pursued further studies at Louisiana State University, Baton Rouge where he graduated with a Bachelor of Science degree. He subsequently continued post graduate studies at the University of Kentucky, Lexington, USA and completed his PhD in 1983. He resumed his services to Lembaga Pertubuhan Peladang in the same year.

In 1984, Datuk Dr. Roslan joined University Putra Malaysia as a lecturer in economics and was promoted to Associate Professor of Economics in 1991. For six years from 1985 to 1991, he also served as head of the Economics Department of University Putra Malaysia. In the 1992-1993 academic year, Datuk Dr. Roslan while on sabbatical leave from UPM, was with the University of Kentucky, Lexington, USA, as Visiting Professor. On various occasions while at the University Putra Malaysia, he had also served as consultant to various international and national organisations which included the World Bank, Asian Development Bank, Winrock International and the Economic Planning Unit of the Prime Minister's Department.

In 1994, Datuk Dr. Roslan joined the Employees Provident Fund ("EPF") and was given the responsibility to develop the economic and investment research capability of the Fund. With the given responsibility, he held the position of Director of Investment and Economic Research of the EPF. He was promoted to the position of Senior Director in 1996 and in 2001 held the position of Deputy Chief Executive Officer of the Fund with the expanded responsibility of formulating and implementing investment strategies to meet the Fund's investment objectives until his retirement in 2007. The EPF had over RM300 billion investment asset under management in 2007.

Datuk Dr. Roslan is currently a director of Leader Steel Holdings Berhad, a company listed on Bursa Securities Malaysia Berhad.

Datuk Dr. Roslan does not have any family relationship with the Directors and/or major shareholders of the Company. He has no conflict of interest with the Company and he has no conviction for any offences within the past five (5) years. There was also no public sanction or penalty imposed by any regulatory body against him during the financial year ended 31 December 2025.

Datuk Dr. Roslan attended all five (5) Board Meetings of the Company held during the financial year ended 31 December 2025.

DIRECTORS' PROFILE
(CONT'D)

DATO' SRI NG AH CHAI
Group Managing Director

Age 63 | Malaysian | Male

MR. NG WEI PING, KEITH
Executive Director

Age 36 | Malaysian | Male

Dato' Sri Ng Ah Chai, was appointed to the Board on 15 November 2016 as the Group Managing Director of Mieco Chipboard Berhad.

Dato' Sri Ng has over 30 years of experience in timber and furniture industries. His involvement in the timber trade started in 1985 with a sawmilling business. In 1991, he expanded his business into tropical wood furniture manufacturing for the local market. He ceased his sawmilling business in 1993 and co-founded Seng Yip Furniture Sdn Bhd. Under Dato' Sri Ng's leadership, coupled with his extensive background and experience in timber and furniture business, Seng Yip Furniture Sdn Bhd has expanded from a kiln drying and timber processing business into manufacturer of furniture components and semi-furnished parts in 1995. In 1998, he further ventured into finished wood furniture business.

For over twenty two (22) years since 2001, Dato' Sri Ng was attached to SYF Resources Berhad (later known as M & A Equity Holdings Berhad) where he last held the position of Managing Director. He was the Key Senior Management team member who helped build and grow the business of SYF Resources Berhad.

Dato' Sri Ng is the major shareholder of the Company. He is also the father of Mr. Ng Wei Ping, Keith, the Executive Director of the Company. He has no conflict of interest with the Company other than as disclosed in the notes to the financial statements.

He has no conviction for any offences within the past five (5) years and there was also no public sanction or penalty imposed by any regulatory body against him during the financial year ended 31 December 2025.

Dato' Sri Ng attended all five (5) Board Meetings of the Company held during the financial year ended 31 December 2025.

Mr. Ng Wei Ping, Keith, was appointed to the Board on 13 October 2017 as Executive Director of Mieco Chipboard Berhad. His involvement with the Company commenced in January 2017 when he took on the role of General Manager overseeing business operations and investments.

Mr. Keith graduated with a Bachelor of Commerce in Economics & Finance from University of Melbourne, Australia. He is also a Chartered Financial Analyst charterholder.

Mr. Keith joined SYF Resources Berhad ("SYF") (later known as M & A Equity Holdings Berhad) as Executive Director in 2017, where he was in charge of corporate development and investment. He has contributed to the growth of SYF and was instrumental in spearheading SYF's successful diversification into property development until his departure in June 2023.

He is currently also a Director of several local private limited companies involved in property development.

He is the son of Dato' Sri Ng Ah Chai, the Group Managing Director and the major shareholder of the Company. He has no conflict of interest with the Company other than as disclosed in the notes to the financial statements.

He has no conviction for any offences within the past five (5) years and there was also no public sanction or penalty imposed by any regulatory body against him during the financial year ended 31 December 2025.

Mr. Keith attended all five (5) Board Meetings of the Company held during the financial year ended 31 December 2025.

DIRECTORS' PROFILE
(CONT'D)

MR. CHEAM TOW YONG

Independent Non-Executive Director
Chairman of Audit Committee
Member of Nomination and Remuneration Committee

Age 70 | Malaysian | Male

Mr. Cheam Tow Yong, was appointed to the Board on 15 November 2016 as an Independent Non-Executive Director of Mieco Chipboard Berhad.

Mr. Cheam is a chartered accountant with New Zealand Society of Accountants and is a Registered Accountant of Malaysian Institute of Accountants. Mr. Cheam received a Bachelor of Commerce degree from University of Otago, New Zealand in 1978 and Diploma of International Management Study from Sweden Institute of Management in 1995.

Mr. Cheam served as financial professional, as accountant, accounting manager and financial controller to a number of local and multinational companies from 1979 to 1993. He served as Managing Director of Thomson Electronic Parts Sdn Bhd, a subsidiary of Thomson CSF of France from 1993 to 1999. He served for Tomisho Berhad (later known as M & A Equity Holdings Bhd) first as Chief Operating Officer, then as Chief Executive Officer from 1999 to 2003. From 2004 to 2007, he served as Corporate Director of PJI Holdings Berhad (now known as YFG Berhad). From 2007 to 2011, he served as Finance Director of a local company involved in oil and gas EPC contracting business.

Mr. Cheam had also previously served as independent director of Oil Corp Berhad and Kinsteel Berhad.

Mr. Cheam is now a director of a local private company.

Mr. Cheam does not have any family relationship with the Directors and/or major shareholders of the Company. He has no conflict of interest with the Company and he has no conviction for any offences within the past five (5) years. There was also no public sanction or penalty imposed by any regulatory body against him during the financial year ended 31 December 2025.

Mr. Cheam attended all five (5) Board Meetings of the Company held during the financial year ended 31 December 2025.

MR. KAJENDRA A/L PATHMANATHAN

Independent Non-Executive Director
Chairman of Nomination and Remuneration Committee
Member of Audit Committee

Age 52 | Malaysian | Male

Mr. Kajendra A/L Pathmanathan, is the Independent Non-Executive Director of the Company since 20 August 2019 from his position as Non-Independent Non-Executive Director. He was first appointed to the Board of the Company on 25 February 2016. Mr. Kajendra was the former Executive Director of the Company and was re-designated as Non-Independent Non-Executive Director on 30 December 2016.

Mr. Kajendra holds a Bachelor of Commerce degree and a Bachelor of Law degree, both from The University of Melbourne. He is a member of the Institute of Chartered Accountants, Australia and New Zealand and also a member of Malaysian Institute of Accountants. He started his career with Ernst & Young, Kuala Lumpur in 1999 in the Corporate Recovery & Insolvency department and moved to Ernst & Young, London in 2008. While with Ernst & Young, he has had a very broad range of experience on a wide variety of clients across various industries in Asia and Europe. He has extensive experience in leading strategic independent business reviews and in advising stakeholders on significant restructuring of public and private companies.

For over 8 years since 2013, Mr. Kajendra was attached to BRDB Developments Sdn Bhd where he last held the position of Executive Director. He then undertook a 1 year contract engagement with Rex Industries Bhd before joining Wellous Group in May 2023 and where he presently holds the position of Chief Financial and Operations Officer of the Group.

Mr. Kajendra does not have any family relationship with the Directors and/or major shareholders of the Company. He has no conflict of interest with the Company and he has no conviction for any offences within the past five (5) years. There was also no public sanction or penalty imposed by any regulatory body against him during the financial year ended 31 December 2025.

Mr. Kajendra attended all five (5) Board Meetings of the Company held during the financial year ended 31 December 2025.

DIRECTORS' PROFILE
(CONT'D)

MADAM TAN POH CHEOK

Independent Non-Executive Director
Member of Audit, Nomination and Remuneration Committees

Age 63 | Malaysian | Female

Madam Tan Poh Cheok, was appointed to the Board on 28 July 2023 as independent Non-Executive Director of Mieco Chipboard Berhad.

Madam Tan Poh Cheok joined the Royal Malaysia Police Force (the Force) in 1981 and has over 41 years of working experience in the Force. She was the Deputy Head of Commercial Crime Investigation Department Kuala Lumpur with the rank of Superintendent Police (SUPT), a position she last held before retiring from the Force in December 2022.

During her tenure as a professional police officer, she gained immense experience in fields of prosecution, investigation, special operations, administration and personnel management in fields of commercial crime, narcotics crime and criminal investigations.

Madam Tan Poh Cheok possesses a Bachelor of Laws degree from the International Islamic University Malaysia, and she has provided legal advice to various heads of department on investigation of commercial crime.

Madam Tan is currently a director of Signature Alliance Group Berhad, a company listed on Bursa Securities Malaysia Berhad.

Madam Tan does not have any family relationship with the Directors and/or major shareholders of the Company. She has no conflict of interest with the Company and she has no conviction for any offences within the past five (5) years. There was also no public sanction or penalty imposed by any regulatory body against her during the financial year ended 31 December 2025.

Madam Tan attended all five (5) Board Meetings of the Company held during the financial year ended 31 December 2025.

DIRECTORS' PROFILE
(CONT'D)

DATUK CHUA HOCK GEE
Independent Non-Executive Director

Age 65 | Malaysian | Male

DATUK CHUA HOCK GEE, was appointed as an Independent Non-Executive Director of MIECO on 31 March 2026. Datuk Chua Hock Gee is a distinguished leader in Malaysia's timber and panel-products industry, with over four decades of experience spanning upstream and downstream operations.

His career reflects a deep commitment to industrial development, corporate governance, and stakeholder engagement. He currently holds multiple senior roles in both private enterprises and national-level industry bodies. He obtained Diploma in Electrical Engineering from a Polytechnic.

From 1982 to 1984, he worked as Production cum Engineering Superintendent in United Malaysia Timber Products Sdn. Bhd. in Kemaman, Terengganu. He was in charge of planning of raw material, manpower requirements and monitoring all the maintenance and up-keep factory machinery.

From 1985 to 1991, he was with Lion Group Berhad as Senior Project Executive and Project Coordinator at Mechanical (M&E) Department. He was involved in vast projects including aquaculture project in Puchong, Selangor Darul Ehsan; Kuala Sedili, Johor; Kota Belut and Tawau, Sabah. He was also responsible in planning and executing overall mechanical and engineering renovation in Parkson Sg. Wang and Keramunsing, Sabah. He set up the preventive maintenance system in ASM Steel Mill Sdn. Bhd., Bukit Raja, Klang, Selangor Darul Ehsan.

From 1992 to 2004, he was appointed as an Executive Director of Syarikat CHG Plywood Sdn. Bhd., Syarikat Cheng Hin Timber Industry, Syarikat Galas Setia and OSK Timber Concession Sdn. Bhd. He was responsible in the overall planning of the companies' operations which involved raw material, manufacturing and marketing. He was assigned to develop new products and explore into a new market sector. He was in charge in planning, searching and developing of alternative source of materials and mechanisation of process manufacturing.

From 2007 till to-date, he is an active member in the Palm Plywood Project Phase 1 and 2 funded by Levy Fund of Ministry of Plantation Industries and Commodity which is also directly involved. This project involved the collaboration of Malaysian Timber Industry Board ("MTIB"), Forest Research Institute Malaysia, Malaysia Palm Oil Board and University Putra Malaysia ("UPM").

From 2011 until present, he is a consultant for JES Development Pte. Ltd., Singapore involving in international timber products trading.

He has served as a Non-Independent Non-Executive Chairman of KPS Consortium Berhad since 4 April 2018 and has been the Managing Director of Plus Intervest Sdn. Bhd. since 2007.

Datuk Chua does not have any family relationship with the Directors and/or major shareholders of the Company. He has no conflict of interest with the Company and he has no conviction for any offences within the past five (5) years. There was also no public sanction or penalty imposed by any regulatory body against him during the financial year ended 31 December 2025.

KEY SENIOR MANAGEMENT'S PROFILE

DATO' SRI NG AH CHAI

Group Managing Director

Age 63 | Malaysian | Male

Please refer to the Board of Directors' Profile for Dato' Sri Ng Ah Chai's profile.

MR. NG WEI PING, KEITH

Executive Director

Age 36 | Malaysian | Male

Please refer to the Board of Directors' Profile for Mr. Ng Wei Ping, Keith's profile.

MR. LEE OON KAR

Financial Controller

Age 55 | Malaysian | Male

Mr. Lee Oon Kar, graduated with a Bachelor's Degree in Accountancy from Universiti Utara Malaysia in 1996 and has been a member of the Malaysian Institute of Accountants since 1999.

Upon graduation, he joined Deloitte Kassim Chan and left as audit senior in November 1999. In December 1999, he joined SP Hetero Technologies Sdn Bhd as an Accountant. He joined Seng Yip Furniture Sdn Bhd in July 2001 as an Accountant. He was redesignated as Financial Controller of SYF Resources Berhad in 2007, the holding company of Seng Yip Furniture Sdn Bhd.

He left SYF Resources Berhad to join Mieco Chipboard Berhad as Financial Controller in 2023 upon completion of acquisition of Seng Yip Furniture Sdn Bhd by Mieco Chipboard Berhad.

Mr. Lee does not hold any directorship in any public companies. Mr. Lee does not have any family relationship with the Directors and/ or major shareholders of the Company. He has no conflict of interest with the Company and he has no conviction for any offences within the past five years. There was also no public sanction or penalty imposed by any regulatory body against him during the financial year ended 31 December 2025.

KEY SENIOR MANAGEMENT'S PROFILE
(CONT'D)

MR. LIM KOK SEONG
Senior Production Manager
Age 52 | Malaysian | Male

Mr. Lim Kok Seong, joined Mieco Manufacturing Sdn Bhd in January 2020. He is presently the Head of Production of Mieco Manufacturing Sdn Bhd. He has more than 28 years of working experience in the wood-based manufacturing industry. He is responsible for overseeing the overall production operations.

Prior to this, he was the Senior Production Manager in Tomisho Sdn Bhd, a wholly owned subsidiary of SYF Resources Berhad. His primary responsibilities were on the whole production operation as well as setting-up of company's production operations line.

Mr. Lim does not hold any directorship in any public companies. Mr. Lim does not have any family relationship with the Directors and/ or major shareholders of the Company. He has no conflict of interest with the Company and he has no conviction for any offences within the past five years other than traffic offences, if any. There was also no public sanction or penalty imposed by any regulatory body against him during the financial year ended 31 December 2025.

MS. NG SHER WIN
General Manager
Age 32 | Malaysian | Female

Ms. Ng Sher Win, is the General Manager of MIECO. She graduated from University of Melbourne with a First Class Degree in Bachelor of Commerce, major in Accounting and Finance. She attained her Certified Practising Accountant Australia, CPA Australia in 2020.

She joined MIECO in 2018 as an Assistant Manager in business development involved in business process improvements and was subsequently promoted as General Manager in 2022.

Ms. Ng is the daughter of Dato' Sri Ng Ah Chai, the Group Managing Director and major shareholder of the Company. She is also the sister of Mr. Ng Wei Ping, Keith, the Executive Director of the Company. She has no conviction for any offences within the past five years and there was also no public sanction or penalty imposed by any regulatory body against her during the financial year ended 31 December 2025.

GROUP MANAGING DIRECTOR'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS

Dear Shareholders

It is my pleasure to present the annual report and audited financial statements as well as management discussion and analysis for Mieco Chipboard Berhad ("MIECO" or "the Group") for the financial year ended 31 December 2025 ("FY2025").

BUSINESS OVERVIEW

The Group's principal activities comprise the manufacturing and distribution of particle boards, melamine faced chipboards ("MFC"), medium density fibreboards ("MDF") and solid rubberwood products. The Group has a total annual production capacity of approximately 600,000 cubic metres, supported by several manufacturing facilities strategically located in Pahang, Selangor and Negeri Sembilan.

The Group's chipboard products comply with recognised international quality standards, including the European Community's BS EN 312 standard, which covers both moisture-resistant and non-moisture-resistant boards with E1 and E2 formaldehyde emission levels. The Group is also certified under the ISO 9001:2015 Quality Management System by AJA EQS Certification. In addition, the Group has obtained various ecolabel certifications in compliance with the environmental standards set by the United States Environmental Protection Agency, as well as relevant European and Japanese industrial requirements.

As a key supplier of a comprehensive range of panel boards and solid rubberwood products to the domestic market, our products primarily serve the furniture manufacturing sector, renovation and interior fit-out construction industry, as well as intermediaries involved in downstream lamination activities for end-user applications.

FY2025 was yet another challenging year for the Group despite the national economy posting 5.2% growth for the year. Geopolitical conflicts and trade tariffs dominated global trade concerns and continued to afflict demand in the export markets for the local furniture and wood-related industries such as ours.

For the FY2025, the Group recorded net loss after tax of RM12.3 million as compared to net profit after tax of RM1.5 million previously. The weaker financial performance was primarily attributable to lower revenue, margin compression and higher operating costs incurred.

Faced with the unrelenting conditions, the Group continued with its defensive strategy to rationalise and down-size its operating facilities rationalisation exercise in order to reduce costs and improve efficiency. At the same time, the rationalisation exercise enabled asset disposals to reduce borrowings and interest cost.

In addition to the internal rationalisation and in our efforts to seek alternative sources of revenue, the Group ventured into wood pellet manufacturing in the later part of the year. Whilst in the early stage, we are actively seeking to develop this market for production to reach economies of scale.

GROUP MANAGING DIRECTOR'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS
(CONT'D)

COMMITMENT TO CORPORATE GOVERNANCE AND SUSTAINABILITY

The Group remains committed to integrating economic, environmental, social and governance ("EESG") considerations into its business strategies and day-to-day operations, with the objective of supporting long-term value creation while minimising the environmental footprint of its activities.

During the financial year, the Group reinforced its zero-tolerance stance against all forms of corrupt practices by strengthening internal policies and control measures. These standards have been progressively cascaded across the Group's value chain to encourage suppliers and business partners to uphold high levels of corporate integrity and ethical business conduct.

The Board remains mindful of the importance of sound corporate governance and continues to strive towards aligning the Group's practices with the principles and spirit of the Malaysian Code on Corporate Governance 2021. In parallel, the Group sustained its community engagement initiatives in areas where it operates, reflecting its commitment to responsible corporate citizenship. Further details of the Group's sustainability initiatives and performance are set out in the Sustainability Statement on pages 15 to 67 of this Annual Report.

REVIEW OF FINANCIAL PERFORMANCE

For the FY2025, the Group recorded revenue of RM361.6 million, a decline of 11% compared to RM408.0 million in the preceding financial year. The lower revenue corresponded to a net loss of RM12.3 million, down from a net profit of RM1.5 million previously.

Overall, the weaker performance was primarily attributable to lower contribution margins arising from reduced sales volumes and continued pricing pressure within the panel board segment. In addition, higher production and start-up costs were incurred in connection with the Group's strategic move into wood pellet manufacturing which has yet to achieve any economical scale of production.

The weaker results from operations were mitigated by gains of RM17.9 million recognised upon the completion of asset disposals. Proceeds from such disposals were mainly used for loan repayment thereby reducing interest cost by RM2.0 million for the year.

The Group's total assets decreased by approximately RM22.4 million to RM631.2 million mainly due to the said asset disposals while total equity declined by approximately 4% to RM316.7 million reflecting the loss recorded during the financial year.

Net assets per share moderated slightly to RM0.32 from RM0.33 previously.

Total borrowings reduced significantly to RM175.0 million as at 31 December 2025 compared with RM229.0 million a year earlier, following the utilisation of asset disposal proceeds for the redemption of borrowings. This deleveraging exercise has strengthened the Group's balance sheet and improved financial flexibility as well as reduced interest cost.

Net cash generated from operating activities improved to RM46.3 million compared to RM8.4 million in the preceding year, reflecting tighter working capital management.

Net cash inflows from investing activities amounted to RM19.2 million boosted by proceeds from asset disposals while net cash outflows from financing activities totalled RM57.8 million largely arising from loan repayments.

REVIEW OF OPERATIONS

Operating conditions in FY2025 were challenging and difficult to navigate, influenced by geopolitical tensions and ongoing global economic uncertainties which continued to affect supply chains and overall market demand.

In response to increased competitive pricing pressures from larger regional manufacturers, the Group intensified efforts to reposition its product and market strategy. Key operational initiatives undertaken during the year included:

- enhancing the production mix towards higher value-added panel board products to reduce reliance on commoditised basic boards;
- establishing a presence in the biomass fuel segment through the production and supply of wood pellets; and
- progressing investments in forest plantation activities aimed at securing long-term raw material supply, restoring degraded land and contributing towards a sustainable timber ecosystem.

The Group's range of High Pressure Laminates ("HPL") and melamine-faced chipboards continued to gain market acceptance as quality core materials for residential and commercial furnishing applications. In line with evolving market trends, particularly among property developers incorporating basic furnishing packages into their offerings, the Group has strengthened direct engagement with developers and main contractors in addition to its traditional distribution channels.

During the year, timber raw material prices remained elevated due to weather-related supply constraints and increasing demand from the biomass sector. Other major cost components, including resin and energy costs, were relatively stable. Wage costs remained manageable following the absence of further revisions to the statutory minimum wage during the year.

GROUP MANAGING DIRECTOR'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

As part of its operational rationalisation programme, the Group discontinued furniture manufacturing activities at its Semenyih facility, allowing resources to be redeployed towards core and growth segments. The Group will continue to evaluate opportunities to enhance operational efficiency and optimise asset utilisation.

CORPORATE DEVELOPMENT

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

BUSINESS STRATEGY

FY2025 marked a strategic milestone for the Group with its formal entry into wood pellet production, representing a meaningful step towards strengthening its sustainability positioning and diversifying income streams.

The Group intends to leverage its established manufacturing capabilities, technical expertise and existing infrastructure to support this expansion. With global momentum accelerating towards renewable energy adoption, wood pellets are increasingly recognised as a viable low-carbon fuel alternative. This strategic initiative positions the Group to participate in a structurally growing market while reinforcing its long-term commitment to environmental stewardship and value creation.

Going forward, Management will continue to prioritise improvements in product mix by increasing the contribution from higher value-added products and reducing dependence on price-sensitive commoditised boards. Efforts will also be directed towards broadening the product portfolio through complementary offerings and potential strategic collaborations where appropriate.

Meanwhile, the Group's investment in forest plantations is expected to progressively enhance raw material security and may provide an additional source of recurring income over the medium term, with initial harvesting anticipated in approximately three years.

INDUSTRY PROSPECTS AND OUTLOOK

The eruption of the Iran conflict on 28 February 2026 has thrown the global trade and economic outlook into total disarray with no resolution in sight as at the date of this report.The immediate impact has caused the price of Brent crude oil rising to USD100 per barrel and beyond, thus increasing the cost of output for all fuel-based products. Potential shortages of oil and other commodities may also arise due to the disruption in the flow of goods through the Strait of Hormuz.

While the ultimate trajectory of the conflict in the Middle East Gulf remains uncertain, the potential economic implications are broadly skewed towards higher inflationary pressures and slower global growth. A short-lived conflict may result in temporary price spikes, whereas a prolonged escalation could sustain elevated energy costs, disrupt supply chains and strain import-dependent economies. In a more moderate scenario, persistent geopolitical tensions may continue to underpin volatility and prolong inflationary pressures.

In this evolving environment, the Group recognises that such external developments are beyond its control. Nevertheless, Management remains vigilant in monitoring geopolitical and macroeconomic trends, and will continue to assess and implement appropriate measures to mitigate potential impacts on the Group's operations, cost structure and supply chain resilience.

RISK MANAGEMENT

The operating environment is expected to remain volatile amid persistent geopolitical developments, inflationary pressures and evolving global trade dynamics. The Group continues to strengthen its risk management framework with a proactive approach towards identifying, assessing and mitigating key business risks.

Demand for wood-based products remains sensitive to global economic conditions, particularly given the industry's exposure to export markets. The Group therefore seeks to diversify its market presence to avoid over-reliance on any single geographical region.

Raw material availability and price stability remain critical operational considerations. The Group's ongoing investment in forest plantation development represents a strategic measure to mitigate supply risks over the longer term.

In addition, competition from alternative materials such as plastics, metals and engineered composites continues to pose structural challenges to the timber industry. The Group recognises the importance of promoting wood as a sustainable and renewable material within the broader circular bio-economy framework.

GROUP MANAGING DIRECTOR'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS
(CONT'D)

Foreign currency fluctuations also present financial risk as export proceeds are largely denominated in United States Dollar. The Group adopts prudent treasury practices, including the use of forward foreign exchange contracts where appropriate, to manage currency exposure.

From a human capital perspective, the Group's increasing automation has reduced labour dependency risks, while ongoing training and employee engagement initiatives support workforce capability and well-being.

The Group remains committed to maintaining a prudent capital structure by managing gearing levels and optimising working capital utilisation. Continuous engagement with financial institutions is maintained to ensure access to funding aligned with the Group's strategic direction.

DIVIDEND

The Board of Directors does not recommend the payment of any dividend in respect of the financial year ended 31 December 2025.

APPRECIATION

On behalf of the Board, I take this opportunity to thank the MIECO team in recognition of their dedication and commitment to see us through these difficult times. I am also thankful to our shareholders, business partners, customers and financiers for their continued support to our business and brand. To my fellow Board members, I would like to express my appreciation for their valued advice and guidance as we worked through the challenges and obstacles during the year.

To our outgoing Board member, Mr Cheam Tow Yong, I extend my sincere gratitude for his long-serving and exemplary contribution to the Group and I wish him success in his future undertakings.

Finally, a warm welcome to Datuk Chua Hock Gee who joined us on 31 March 2026.

Thank you all.

Dato' Sri Ng Ah Chai
Group Managing Director

SUSTAINABILITY STATEMENT

OVERVIEW OF THE SUSTAINABILITY STATEMENT

This Statement provides an overview of the Group's sustainability approach and performance for the financial year ended 2025 ("FYE 2025"). During the year, the Group continued to incorporate sustainability considerations into its operations and decision-making processes as part of its efforts to manage economic, environmental, social and governance ("EESG") matters relevant to the business.

In FYE 2025, the Group focused on key EESG priorities within its Manufacturing of Wood-Based Products Division. These efforts support the Group's approach to managing operational risks, meeting stakeholder expectations and maintaining responsible business practices. The Group's sustainability reporting is guided by the Bursa Malaysia Sustainability Reporting Guidelines and references the United Nations Sustainable Development Goals ("UNSDGs") where relevant.

This Statement highlights our achievements, identifies the challenges faced, and outlines our aspirations for the future, reflecting our dedication to advancing a sustainable business model that generates positive impact across all dimensions of our operations.

SUSTAINABILITY STATEMENT
(CONT'D)

ABOUT OUR COMPANY

MIECO

Mieco Chipboard Berhad ("MIECO" or the "Group") is a prominent Malaysian company specialising in the manufacturing and distribution of wood-based products. Established in 1972, the Company has grown to become a key player in the industry, offering a diverse range of wooden products such as plain particle board, melamine-faced chipboard ("MFC"), medium-density fibreboard ("MDF") and solid rubber wood.

These products cater to various sectors, including furniture manufacturing, interior design, and construction. Recently, they have also begun production of wooden pellets for various uses.

Headquartered in Cheras, Malaysia, MIECO operates several manufacturing facilities strategically located in Pahang, Selangor and Negeri Sembilan, which is equipped with advanced technology to ensure high-quality production standards. The Group is committed to sustainable practices, sourcing raw materials responsibly and continuously innovating to reduce its environmental footprint.

MIECO serves both domestic and international markets, exporting its products to countries across Asia, the Middle East, Africa, and Australasia. Its dedication to quality and sustainability has earned it a strong reputation in the global market. In addition to its core manufacturing operations, the Group has undertaken investments in industrial tree planting as part of its long-term strategy to secure a sustainable and stable source of raw materials. This initiative is aligned with the Group's broader commitment towards environmental stewardship and supply chain resilience. MIECO is listed on the Main Market of Bursa Malaysia, reflecting its established presence and credibility in the industry.

MIECO has achieved several notable certifications that underscore its commitment to quality, environmental responsibility, safety and legality. Below are the certifications obtained from various certification bodies, further amplifying MIECO's commitment to sustainable business practices.

International Organisation for Standardisation ("ISO") 9001:2015 – An internationally recognised Quality Management System ("QMS") standard that provides a framework for organisations to consistently meet customer and regulatory requirements while improving operational efficiency and customer satisfaction. The Company has maintained this certification since 1999, adopting its updated versions over time.

ISO 14001:2015	–	An internationally certifiable standard which specifies requirements for an effective environmental management system ("EMS"), helping organisations minimise environmental impacts and ensuring sustainable resource management.
ISO 45001:2018	–	Occupational Health and Safety Management System ("OH&S") certification, demonstrating a commitment to workplace safety and employee well-being.
Programme for the Endorsement of Forest Certification ("PEFC") - Chain of Custody ("CoC")	–	Certification ensuring that wood products originate from sustainably managed forests.
California Air Resources Board II ("CARB II") Compliance	–	Certification for low formaldehyde emission boards, meeting stringent air quality standards.
Japanese Industrial Standard ("JIS") Mark A5908:2022	–	JIS accreditation, indicating compliance with rigorous quality and safety standards.

SUSTAINABILITY STATEMENT
(CONT'D)

MyHijau	–	Certification recognising environmentally friendly products and services in Malaysia.
Malaysian Phytosanitary Certification Assurance ("MPCA")	–	Certification ensuring products are free from pests and comply with plant health standards.
Malaysian Timber Industry Board ("MTIB") Product Certification	–	Certification for panel products in compliance with the level of formaldehyde emission used in domestic market, governed under the Sub-section 12 (2)(k) of the Malaysian Timber Industry Board (Incorporation) Act 973 (Act 105).
Singapore Green Label ("SGL")	–	Certification on environment-friendly products that meet certain eco-standards and seeks to encourage the level of eco-consumerism and greener products in the market. Further, hopes to create a backlash effect, encouraging manufacturers to design and manufacture with the environment in mind.

These certifications highlight MIECO's dedication to maintaining high standards in product quality, environmental sustainability, and occupational health, safety and legality.

VISION AND MISSION

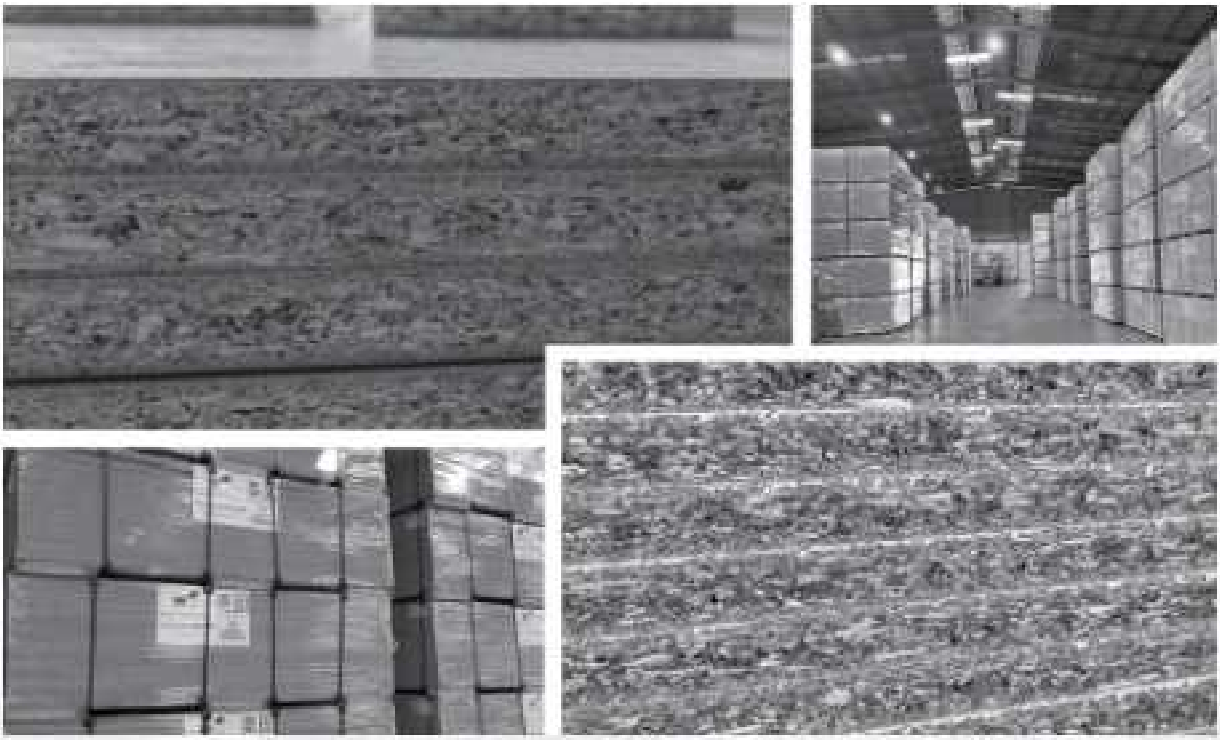
MIECO's vision and mission are deeply rooted in its commitment to delivering exceptional quality and innovation while fostering continuous improvement. Central to this is the Company's adherence to its Corporate Mission statement and Quality Policy, which guide every aspect of its operations.

Beyond technology, MIECO places a strong emphasis on human resource development, recognising that its people are critical to achieving its vision. Factory personnel receive regular training to enhance their skills, while marketing teams engage in international exhibitions and trade fairs to stay ahead of industry trends. The Company takes pride in recruiting talent from both local universities as well as overseas graduates, ensuring a diverse and capable workforce.

Aligned with its commitment to continuous process improvement and research and development, MIECO consistently delivers innovative products and exemplary services. Its Vision, Direction, and Corporate Values are seamlessly integrated with the essence of its Corporate Brand, embodying a dedication to operational excellence, sustainable practices, and creating long-term value for stakeholders.

SUSTAINABILITY STATEMENT
(CONT'D)

RUBBERWOOD RAW MATERIALS

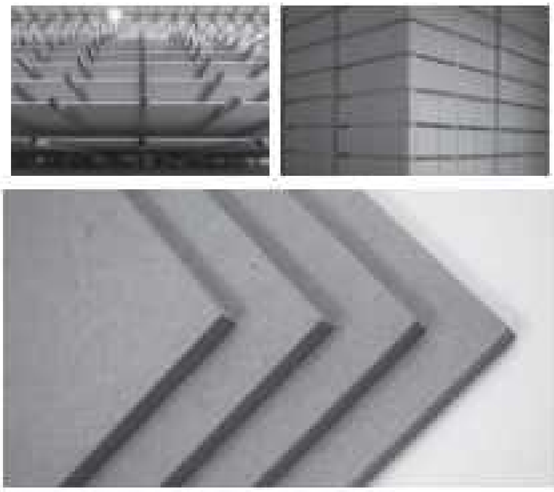


PARTICLE BOARD

SUSTAINABILITY STATEMENT
(CONT'D)

DECORATIVE MFC

WOOD PELLETS



MDF

SUSTAINABILITY STATEMENT
(CONT'D)

ABOUT THIS STATEMENT

MIECO is pleased to present our Sustainability Statement, which reports on our performance across the EESG pillars. MIECO is committed to advancing responsible EESG management with the goal of achieving sustainable growth. We have established robust EESG governance throughout the Group, revised relevant policies and regulations, and developed a framework for disclosure and data management. This Statement provides insights into our sustainability journey and demonstrates our commitment to stakeholders.

REPORT OVERVIEW

MIECO has been publishing a sustainability statement annually since 2018 to communicate our EESG management approach and performance to our stakeholders. This report presents our financial and non-financial performance for the reporting year, with a focus on our EESG management strategy, governance, and progress across material sustainability matters.

Prepared with reference to Bursa Malaysia Sustainability Statement expectations and GRI Standards, this report aims to enhance the transparency, consistency, and usefulness of our disclosures to stakeholders. MIECO will continue to strengthen the integration of EESG into our operations and decision-making, improve the quality of our EESG data and reporting, and disclose our progress transparently, thereby fulfilling our EESG responsibilities and supporting long-term value creation.

REPORTING SCOPE AND PERIOD

For the financial year ended 31 December 2025, this Sustainability Statement focuses on the operations of MIECO's Manufacturing Division, covering its production facility in Kuala Lipis and its headquarters in Balakong. This report covers the period from 1 January 2025 to 31 December 2025.

For this reporting cycle, the scope excludes the Reforestation, as well as certain other operations, due to data readiness and reporting limitations. The Group intends to progressively review and expand the reporting scope in future sustainability reporting cycles as systems and data availability improve.

ASSURANCE

This report has not been subjected to external assurance. However, the Group may consider assurance in the future if deemed necessary in accordance with Bursa Malaysia requirements.

GUIDELINES AND STANDARDS

This Statement has been prepared in accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and the Global Reporting Initiative ("GRI") Standards, while also referencing the United Nations Sustainable Development Goals ("UNSDGs").

REPORTING LIMITATIONS

This Statement may include forward-looking statements relating to MIECO's plans, initiatives and commitments, alongside information about its current and past activities. Forward-looking statements may be identified by the use of words such as "aim," "target," "plan," "strive," "commit," "will," "may," "could," "should," "continue," or similar expressions. These forward-looking statements are based on assumptions and expectations that the Group considers reasonable at the time of reporting; however, they do not constitute assurances of future outcomes. Their purpose is to provide stakeholders with context on MIECO's sustainability approach and anticipated direction in relation to key EESG matters.

FEEDBACK

We welcome feedback and suggestions from all stakeholders to help us strengthen our sustainability commitments. Please send your feedback to: cosec@mieco.com.my

SUSTAINABILITY STATEMENT
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SUSTAINABILITY GOVERNANCE

As EESG expectations continue to evolve, MIECO has strengthened its sustainability governance structure to support effective oversight and execution. Our Sustainability Committee provides direction, coordinates cross-functional implementation and monitors progress against agreed priorities. The Sustainability Working Group supports day-to-day delivery across operations, including data collection, performance tracking and continuous improvement initiatives. This structure enables consistent implementation across the Group, with significant matters escalated to the Board of Directors where appropriate.

Roles and Responsibilities

Board of Directors

The Board of Directors holds the highest level of accountability for sustainability governance at MIECO. The Board sets the strategic vision for sustainability in line with the Company's overall goals, provides oversight to ensure sustainability objectives are delivered, and reviews and approves key sustainability policies, strategies and initiatives. The Board also monitors sustainability performance and ensures alignment with regulatory requirements and stakeholder expectations. By steering the Company's sustainability agenda, the Board ensures that EESG considerations remain central to MIECO's decision-making processes.

Sustainability Committee

The Sustainability Committee is responsible for establishing and approving fundamental policies, strategies, and mid to long-term goals related to EESG matters, including environment, human rights, health and safety, social responsibility, customer value, shareholder value, and corporate governance.

Sustainability Working Group

The Sustainability Working Group is composed of departments tasked with implementing our EESG vision and strategic enhancements. This group convenes quarterly to assess the implementation status of EESG strategic initiatives and to share key issues and insights. For the execution of core tasks, separate task-specific working groups are also formed and managed accordingly.

This governance structure enables MIECO to align its sustainability priorities with business strategy, while strengthening accountability across the organisation. By clearly defining roles and promoting collaboration between the Board of Directors, the Sustainability Committee and the Sustainability Working Group, we ensure consistent oversight and effective delivery of our sustainability agenda. Through this framework, MIECO reinforces its commitment to EESG principles and supports long-term value creation, resilience and sustainable growth in a rapidly evolving business environment.

SUSTAINABILITY STATEMENT
(CONT'D)

ESG KEY PERFORMANCE INDICATORS

To support the practical implementation of EESG management, MIECO has established a set of EESG key performance indicators ("KPIs") to monitor progress across priority sustainability areas. The EESG KPI framework serves as a management tool to translate sustainability objectives into measurable outcomes and to support informed decision-making at both operational and management levels. The Board provides oversight on the overall EESG direction of the Group, while the Sustainability Working Committee is responsible for implementing EESG initiatives in line with the Group's business strategy and operational priorities. EESG-related KPIs are identified with reference to material matters, regulatory expectations and data availability, and are progressively refined to enhance consistency and relevance across the Group's operations.

Performance against selected KPIs is monitored on a periodic basis through management reviews. Where applicable, relevant data is consolidated at the Group level to support transparency and comparability. The Group uses these KPIs to track performance trends, identify areas for improvement and support continuous enhancement of EESG practices.

As MIECO continues to strengthen its EESG management approach, the Group may progressively enhance its KPI framework by expanding the scope of indicators, improving data quality and integrating EESG considerations more closely into business planning and performance evaluation processes. The table summarises our FYE 2025 KPIs and targets:

Economics	Environmental	Social	Governance

No.	Material Matter	Metrics	Area of Focus	Targets
Economics				
1	Economic Performance	Direct economic value generated and distributed	Financial sustainability	Achieve year-on-year growth in economic value generated
2	Source of Raw Materials	Proportion of locally sourced raw materials	Responsible sourcing	Maintain ≥70% of raw materials sourced locally, where feasible
3	Responsible Procurement	Procurement transactions complying with internal procedures	Ethical procurement	100% compliance with internal procurement policies
Environmental				
4	Climate Management	Scope 1 GHG emissions	Direct emissions	Establish a Scope 1 emissions baseline and aim to achieve up to a 3% year-on-year reduction, where operationally feasible and subject to business growth, operational requirements, and external factors.
5	Climate Management	Scope 3 emissions coverage	Value chain emissions	Improve Scope 3 data coverage to ≥2 categories by FYE2026
6	Energy Management	Total energy consumption intensity	Energy efficiency	Reduce energy intensity by ≥5% year-on-year

SUSTAINABILITY STATEMENT
(CONT'D)

No.	Material Matter	Metrics	Area of Focus	Targets
Environmental (Cont'd)				
7	Water & Effluent Management	Total water consumption intensity	Water efficiency	Reduce water consumption intensity by ≥3% year-on-year
8	Water & Effluent Management	Effluent discharge compliance	Wastewater management	100% compliance with applicable effluent discharge standards
9	Emissions Discharge	Regulatory compliance	Environmental performance	100% compliance with air emission regulations
10	Waste Management	Waste disposed to landfill	Waste reduction	Reduce waste sent to landfill by ≥5% year-on-year
11	Environmental Compliance	Environmental non-compliance cases	Legal compliance	Zero significant environmental non-compliance cases
Social				
12	Human Rights & Labour Practices	Incidents of child or forced labour	Ethical labour practices	0% tolerance – zero incidents
13	Occupational Health & Safety	Work-related injury cases	Workplace safety	Reduce total workplace incidents by ≥5% year-on-year
14	Occupational Health & Safety	Lost Time Injury Rate ("LTIR")	Safety performance	Achieve≥5% improvement in LTIR year-on-year
15	Training & Staff Development	Average training hours per employee	Capability building	Minimum 8 training hours per employee per year
Governance				
16	Anti-Corruption & Compliance	Substantiated corruption cases	Ethical conduct	0% tolerance – zero substantiated cases

STAKEHOLDER ENGAGEMENT

MIECO values regular engagement and feedback, and maintains ongoing dialogue with stakeholders to inform decision-making and support shared understanding. Through various platforms, we have developed a comprehensive understanding of stakeholders' needs, integrating their insights into our strategic framework to proactively address and manage relevant issues. During the year in review, we engaged actively with customers, employees, communities, investors, government entities, and suppliers. A summary of their concerns and interests is provided in the table below:

SUSTAINABILITY STATEMENT
(CONT'D)

Stakeholder Groups	Frequency and Engagement Method	Topic of Concern and Interest	Material Matters
Customers	On-going • Surveys • Corporate website As needed • Emails • Phone calls	• Customer service • Customer experience • Product quality	• Economic Performance • Source of Raw Materials • Environmental Compliance
Employees	On-going • Town hall meetings • Workshops • Focus group discussions • Internal committee meetings • Surveys • Events • Internal circulars • Newsletters	• Company direction and performance • Career development and training opportunities • Workplace health and safety • Well-being of employees (including fair compensation)	• Human Rights & Labour Practices • Occupational Health & Safety • Training & Staff Development • Economic Performance
Investors	On-going/As needed • Corporate website • Announcement Annually/As needed • General meeting	• Operational and financial performance • Shareholder returns	• Economic Performance • Anti-Corruption & Compliance
Local Communities	On-going • Community engagement programmes • Health awareness programmes	• Community development and support • Quality, safety, health and environment • Social and environmental impact	• Environmental Compliance • Emissions Discharge • Waste Management • Water & Effluent Management • Occupational Health & Safety
Government and Authorities	On-going • Industry workshops • Meetings and consultations • Reporting As needed • Inspection and audits	• Regulatory compliance • Improving efficiency and productivity	• Environmental Compliance • Climate Management • Emissions Discharge • Anti-Corruption & Compliance • Occupational Health & Safety
Suppliers	On-going • Procurement system (including tender process) • Supplier surveys • Supplier performance evaluation • Online meeting • Emails • Phone calls	• Transparency in procurement process • Knowledge sharing and capability building	• Responsible Procurement • Source of Raw Materials • Human Rights & Labour Practices • Anti-Corruption & Compliance

SUSTAINABILITY STATEMENT
(CONT'D)

MATERIAL MATTERS

MIECO undertakes a materiality assessment process to identify and evaluate sustainability matters, enabling us to pinpoint issues with significant EESG impacts on the Group, its subsidiaries and stakeholders. This process includes individual materiality assessments for each of our operations.

Our materiality assessment process is summarised below:

1. Identification

   We began by reviewing potential sustainability topics and their positive and negative impacts on our operations and stakeholders. This included peer benchmarking within our industry to understand emerging EESG trends and best practices. Through internal discussions and stakeholder engagement, key EESG topics were shortlisted. As a result of this process, a total of 12 material issues were identified.

2. Evaluation

   Following identification, an internal survey was conducted to assess and prioritise these topics. The survey results served as a proxy for stakeholder priorities, as participating functions reflect stakeholder-facing insights from their day-to-day roles. Each issue was evaluated based on its potential impact on the Group's EESG pillars, its relevance to stakeholders and its financial implications, enabling us to distinguish matters requiring immediate management attention from those of longer-term strategic importance.

3. Prioritisation

   Based on the evaluation results and their relative significance, we identified four EESG material issues which are Human Rights & Labour Practice, Waste Management, Economic Performance and Source of Raw Materials, as priority matters for the Group. These issues were reviewed and endorsed by senior management and the Sustainability Committee. For each material topic, we outline our management approach and report on implementation progress within this Sustainability Statement, ensuring transparency and accountability.

MIECO Materiality Prioritisation

SUSTAINABILITY STATEMENT
(CONT'D)

Pillar	Material Matter	Definition
Economic	Economic Performance	Ensuring sustainable financial growth and resilience through responsible business practices.
	Source of Raw Materials	Ensuring raw materials are sourced responsibly, considering sustainability and traceability.
	Responsible Procurement	Managing procurement practices in a responsible and transparent manner to support ethical conduct, cost efficiency and supply chain reliability.
Environmental	Climate Management	Managing greenhouse gas emissions arising from the Group's operations and value chain, including Scope 1, Scope 2 and relevant Scope 3 emissions, to address climate-related impacts and support regulatory and stakeholder expectations.
	Energy Management	Efficient use of energy resources and transition towards renewable energy sources.
	Water & Effluent Management	Responsible water consumption and treatment of wastewater to minimise environmental impact.
	Waste Management	Managing waste responsibly through reduction, recycling and proper disposal practices.
	Environmental Compliance	Adhering to environmental laws, regulations and standards to prevent non-compliance risks.
Social	Human Rights & Labour Practices	Upholding human rights and fair labour practices across operations and supply chains.
	Occupational Health & Safety	Protecting employee health and safety through policies and practices.
	Training & Staff Development	Providing continuous learning and development opportunities for employees.
Governance	Anti-Corruption & Compliance	Maintaining ethical business conduct, preventing corruption and ensuring regulatory compliance.

SUSTAINABILITY STATEMENT
(CONT'D)

ALIGNMENT WITH UNSDGs

This table outlines MIECO's management approach for each identified material matter, ensuring alignment with relevant UNSDGs. It demonstrates how the Group integrates sustainability into its operations by addressing EESG priorities through targeted actions and long-term commitments.

Material Matter	Management Approach	Linked SDGs
Economic Performance	Maintain strong financial governance and optimise operational efficiency.	SDG 8
Responsible Procurement	Implement supplier code of conduct, assess EESG risks in supply chain, and prioritise local sourcing where possible.	SDG 12, SDG 17
Climate Management	Integrate climate risk into business strategy.	SDG 13, SDG 15
Energy Management	Improve energy efficiency and monitor energy intensity across operations.	SDG 12

SUSTAINABILITY STATEMENT
(CONT'D)

GOVERNANCE

Strong corporate governance underpins MIECO's commitment to ethical, transparent and responsible business conduct. We believe that effective governance is essential to maintaining stakeholder confidence, safeguarding value and supporting sustainable growth. Our governance practices are designed to uphold high standards of integrity, accountability and compliance, while strengthening oversight of risks and embedding sustainability considerations into decision-making.

OUR APPROACH

Corporate Governance

As a listed company, MIECO applies the principles of the Malaysian Code on Corporate Governance ("MCCG") to strengthen Board oversight and organisational accountability. The Group is governed by the Board of Directors, which is responsible for the oversight and overall management of the Company and is committed to promoting a strong corporate governance culture that reinforces ethical, prudent and professional behaviour.

The Board's authority, roles and responsibilities, including matters reserved for Board approval and delegations to Board Committees and Management, are guided by the Board Charter. The Board plays an active role in shaping the Group's strategic direction and monitoring performance, while ensuring that sustainability considerations are appropriately incorporated into business strategies and long-term value creation. To support effective governance and strengthen oversight, the Board is assisted by governance committees, namely the Audit Committee, Nomination and Remuneration Committee, which provide focused review and recommendations within their respective areas of responsibility. The Board is also supported by Company Secretary who provides governance advice and supports adherence to applicable rules and procedures.

MIECO reinforces ethical conduct and compliance through key governance instruments, including the Code of Conduct and Ethics, the Anti-Bribery and Corruption Policy, and the Whistleblowing Policy, which are accessible via the corporate governance section of MIECO's website. These policies and practices support transparent disclosures, responsible decision-making and effective oversight across the Group, while strengthening stakeholder confidence in how we conduct our business.

Policies

MIECO is guided by policies and procedures that govern employee behaviour and management decision-making across the Group. These policies uphold high standards of integrity, professionalism and accountability in the way we conduct business and engage with stakeholders.

MIECO's Code of Conduct and Ethics sets out the standards of conduct and the expected culture for all employees across the Group. The Board reviews the Code periodically, or whenever necessary, to ensure it remains relevant and effective.

The Code is complemented by the Group's Anti-Bribery and Anti-Corruption ("ABAC") Policy, which reinforces our zero-tolerance approach towards bribery and corruption, and supports consistent ethical decision making across operations. The Group also maintains a Whistleblowing Policy that provides a channel for employees and relevant external parties to raise concerns about improper conduct without fear of retaliation, and this policy is reviewed periodically together with Management to remain current.

To ensure our governance framework remains robust and aligned with evolving expectations, relevant policies are subject to periodic review and updates as required. In addition to the policies above, MIECO publishes other governance related documents on its website, including items such as the Board Charter, Fit and Proper Policy, Remuneration Policy, Succession Planning Policy, and committee terms of reference.

The Group is committed to conducting all business activities with integrity and adopts a zero-tolerance approach towards bribery and corruption in all forms across its operations. This commitment is anchored in the Code of Conduct and Ethics, with compliance with the ABAC Policy being mandatory for all Directors and employees.

SUSTAINABILITY STATEMENT
(CONT'D)

ANTI-BRIBERY AND ANTI-CORRUPTION

UNSDGs

This Section aligns with goals:

The ABAC framework is aligned with applicable laws and regulations, including the Malaysian Anti-Corruption Commission Act 2009 (as amended). It sets out clear expectations on ethical conduct and prohibits the giving or receiving of gifts, entertainment, travel, donations and sponsorships that may improperly influence business decisions. Limited business-related hospitality may be permitted where it is reasonable, proportionate and consistent with the principles of transparency, appropriate recipients, modest value and legitimate business purpose.

The Group strictly prohibits facilitation payments. Employees are required to report any such requests to their immediate superior. Limited exceptions may apply only where personal safety is at risk, subject to appropriate approval processes and transparent record-keeping.

The Group conducted ABAC training programmes in FYE 2024, achieving 100% participation from executive-level employees. In FYE 2025, the Group issued refresher reminders on ABAC practices, accompanied by an assessment, to all executive-level employees via email. The responses received were satisfactory. No dedicated training was conducted due to the minimal new joiners. Nevertheless, the Group continues to emphasise integrity, ethical behaviour and compliance through internal communications and management oversight. During FYE 2025, the Group recorded no substantiated bribery or corruption cases, and no confirmed corruption incidents were reported.

The Group remains committed to strengthening its governance framework and fostering a culture of integrity and compliance across all levels of the organisation.

Whistleblowing Policy

The Group is committed to maintaining high standards of integrity, transparency and accountability. A Whistleblowing Policy is in place to provide employees and relevant external parties with a confidential and secure channel to report genuine concerns relating to suspected misconduct or improper practices, including fraud, bribery and corruption, conflicts of interest, breaches of laws or regulations and non-compliance with internal policies.

Reports may be made through established internal reporting channels, including senior management and the Audit Committee. All disclosures are handled in a fair, transparent and timely manner, with appropriate investigations conducted where necessary. The Group strictly prohibits retaliation against whistleblowers who raise concerns in good faith and safeguards the confidentiality of their identity to the extent reasonably practicable, in accordance with the Whistleblower Protection Act 2010.

This framework supports the early detection of misconduct and reinforces ethical conduct and sound corporate governance across the Group.

SUSTAINABILITY STATEMENT
(CONT'D)

Data Privacy and Security

MIECO place the utmost importance on safeguarding the privacy and security of data entrusted to us by our employees, customers, and stakeholders. Recognising the growing complexities of data management, we have implemented stringent measures to ensure information is handled responsibly and securely. From adhering to regulations such as the Malaysian Personal Data Protection Act ("PDPA") to deploying advanced encryption technologies, we take every step necessary to protect sensitive information.

Data security at MIECO is not just about compliance, it's about staying ahead of emerging threats in an ever-changing digital landscape. By embedding these practices into our operations, we are not only protecting vital information but also strengthening our reputation as a trusted and reliable organisation. At MIECO, maintaining the integrity and security of data is integral to achieving our mission of excellence and accountability.

MIECO places strong importance on safeguarding the privacy and security of information entrusted to us by our employees, customers and other stakeholders. As data and technology become increasingly embedded in business operations, the Group is committed to managing information responsibly and maintaining appropriate safeguards to protect confidentiality, integrity and availability of data.

We focus on ensuring data is collected and used for legitimate business purposes, access is appropriately restricted based on roles, and sensitive information is handled with due care. In FYE 2025, the Group recorded no substantiated complaints relating to customer data privacy breaches or loss of customer data.

MIECO

MIECO has ZERO number of substantiated complaints concerning breaches of customer privacy and losses of customer data in FYE 2025

ECONOMIC PERFORMANCE

UNSDGs

This Section aligns with goals:

The economic pillar underpins MIECO's ability to deliver sustainable growth, operational resilience and long-term value to stakeholders. The Group focuses on maintaining financial stability through disciplined cost management, consistent product quality and responsible business practices. By strengthening operational efficiency, upholding quality standards and managing its supply chain prudently, MIECO aims to remain competitive while supporting sustainable profitability.

Beyond short-term financial performance, the Group recognises the importance of innovation, employee capability development and sound governance in future-proofing the business. These efforts contribute to MIECO's commitment to responsible growth and to being a reliable business partner in the wood-based manufacturing industry.

SUSTAINABILITY STATEMENT
(CONT'D)

OUR ONGOING COMMITMENT TO HIGH QUALITY STANDARDS

MIECO commissioned its first production line in 1976, making it the pioneer in particleboard manufacturing in Malaysia using rubber wood, and tropical wood waste and had the single largest particleboard line in the Asia-Pacific region when it started operations located at its latest plant in Kechau Tui in March 2005.

The Group attained the British Standard BS EN ISO 9001 certification in 1998 and subsequently achieved MS ISO 9001:2000 certification in 2005. The certification has been maintained to date, with the latest certification issued in 2025 by AJA EQS, a recognised management systems certification body and training provider. In the ISO 9001 surveillance, we recorded no changes to our organisation structure, processes or registered scope since the previous audit. Which has been upgraded to ISO 9001:2008 in 2008 to further strengthen its quality management practices. In addition, MIECO obtained accreditation for BS EN ISO 14001:1996 in 2006, which was subsequently upgraded to ISO 14001 to enhance environmental management performance. Our products have complied with CARB II requirements since 2011, enabling market access in jurisdictions with stringent emission standards. MIECO also holds a licence for export and sale issued by the MTIB, demonstrating compliance with national regulatory requirements for timber-based products.

In the integrated audit, we recorded a process change due to the introduction of wood pellet production, which expanded our certification scope to "Manufacture of Particleboards, Particleboards Laminated with Decorative Paper, Downstream Products and Wood Pellet". Both audits followed planned itineraries, opening and closing meetings, on site evidence sampling across documents, observed practice and staff understanding, and a confidentiality commitment.

Our ISO 9001 system is anchored by the MIECO Quality Assurance ("QA") Manual. We govern our management systems through documented frameworks, scheduled audits, structured management reviews and disciplined document control, with traceable follow through on non conformities. In those reviews, we ensure internal audit results, customer satisfaction, performance evaluation, resourcing and the effectiveness of actions to address risks and opportunities, and we communicate outcomes to our employees via the intranet. Based on internal management review discussions, we confirmed our commitment to these systems and the adequacy of resources for current operations, and we also acknowledged market competitiveness challenges that prompted the strategic introduction of wood pellets in FYE 2025.

Brief Overview of ISO 9001:2015

ISO 9001:2015 is an internationally recognised standard for a QMS framework that ensures consistently meet customer's needs and regulatory requirements, enhancing satisfaction and improving operational procedures. Additionally, it encompasses specific requirements for a QMS producing impeccable products and services altogether.

- Customer focus
- Leadership
- Engagement of people
- Process approach
- Improvement
- Evidence-based decision making
- Relationship management

Through ISO 9001:2015, we embed risk-based thinking into our operations, enabling proactive identification and mitigation of potential issues. The certification demonstrates our commitment to operational excellence, professional integrity, and continual improvement.

We strengthen risk management and stakeholder engagement through department-level risk and opportunity registers and an actively maintained interested parties list.

SUSTAINABILITY STATEMENT
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Our ISO 9001 risk and opportunity tables reflect our proactive approach to maintaining operational excellence. Key focus areas include enhancing supplier delivery punctuality, ensuring adherence to specifications, optimising monthly wood volume targets, upholding material purity standards, improving glue quality, and continuously responding to customer feedback. These are supported by targeted actions and robust evaluation methods such as daily production reports, wood intake and usage records, customer surveys, management review minutes, supplier performance assessments, training records, reject rate monitoring, and structured customer complaint handling. Through these efforts, we systematically monitor, evaluate, and improve performance across our operations.

In our ISO 14001/ISO 45001 system, we revised the list of interested parties on 15 August 2025 (Revision 3) to include the SGL Council and MyHIJAU (GreenTech Malaysia), in addition to the Department of Environment, the Department of Occupational Safety and Health, *Suruhanjaya Perkhidmatan Air Negara*, Malaysian Timber Industry Board, *Jabatan Bomba dan Penyelamat Malaysia*, Ministry of Investment, Trade and Industry ("MITI") and others, reflecting our active updating of stakeholder expectations.

We run document control and change management under procedures such as "Documentation Requirements", with a document master list, change notices and issuance logs to manage updates. Examples of controlled revisions include Heavy Vehicle Maintenance, Monthly Progress Report Upstream and Corrective Action & Preventive Action Report. In the integrated audit, although no overarching documented change was made since the previous cycle, we established new records to reflect wood pellet operations, including Environmental Aspects and Impacts and Hazard Identification, Risk Assessment & Risk Control ("HIRARC") forms, recorded in our master list.

We maintain legal and regulatory compliance by verifying statutory licences, permits and competent person appointments and by recognising that certification is based on sampling rather than an absolute guarantee of compliance.

- Business Licence (*Majlis Daerah Lipis*)
- Factory & Machinery Act Certificates (Lifting & Pressure Equipment)
- Certificate of Fitness – Monorail Hoist
- Certificate of Fitness – Steering Jib Crane
- Certificate of Fitness – Scissor Lift
- Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease ("NADOPOD") Compliance (JKKP 8)
- Safety and Health Officer Appointment
- Competent Person Credential (Scheduled Waste)

Control on Quality Assurance and Quality Control

Our quality management system under ISO 9001:2015 is implemented through clear and current procedures for operational activities. In the surveillance, the auditors sampled upstream and midstream processes including our weighbridge, log yard, chipper, flaker, dryer, sander and lamination, and verified our procedures for plain board operations, weighbridge operations, wood unloading, receipt and stock verification, melamine operation, and production planning and control. They reviewed live records including weighbridge ticket request, a lamination order for a local customer, production schedules, delivery orders, production orders, weight chits, daily reports, equipment calibrations, chipper and grinding machine reports, dryer operation logs, board storage reports and daily sanding machine reports.

The auditors observed our QA and Quality Control ("QC") checks at the sander under stipulated purchase orders. The QA and QC controls are supported by the Engineering function, which provides technical oversight of equipment readiness, infrastructure reliability and essential site services required for stable production quality.

We maintain our assets under the "Maintenance Control of Equipment, Infrastructure & Work Environment" procedure with annual plans, preventive maintenance checklists and analysis. The Group also ensures that specialised compliance requirements are supported by competent personnel, including a designated competent person for radiation protection, where applicable to relevant equipment and regulatory requirements. In addition, the Group appoints a competent person as Energy Manager, certified by the relevant government registered agency, Suruhanjaya Tenaga, to strengthen energy governance and monitoring.

Our governance mechanisms, management reviews, internal audits, document control, Corrective Action Request ("CAR") disciplines and legal compliance support SDG 16 for peace, justice and strong institutions and SDG 17 for partnerships, through accountable processes, transparent audits and engagement with regulators and suppliers as evidenced by licences, committees and communications.

SUSTAINABILITY STATEMENT
(CONT'D)

ECONOMIC PERFORMANCE

UNSDGs

This Section aligns with goals:

At Mieco Manufacturing Sdn Bhd, we believe the engineered wood industry stands at a critical juncture where the dual demands of industrial scalability and environmental stewardship must be harmonised through rigorous, third-party verified frameworks.

Since our establishment in 1972, we have served as a cornerstone of the Malaysian timber sector, and we achieve this harmonisation primarily through the PEFC. As a pioneer in the production of particleboard and other wood-based panels, we have integrated the PEFC International Standard PEFC ST 2002:2020. This disclosure provides an exhaustive examination of our sustainability framework, centred on our PEFC Chain of Custody ("CoC") implementation, risk mitigation strategies via our Due Diligence System ("DDS"), social accountability measures, and the technical environmental performance of our product portfolio.

Strategic Integration of the PEFC Standard and MTCS

Our sustainability narrative is inextricably linked to the Malaysian Timber Certification Scheme ("MTCS"), which was the first tropical timber certification scheme in the Asia-Pacific region to be endorsed by the PEFC.

This endorsement provides us with a globally recognised bridge between Malaysia's vast natural resources and the stringent environmental requirements of our international markets in Europe, North America, and Northeast Asia. Our Chain of Custody certificate signifies that we meet the requirements of PEFC ST 2002:2020, the current international benchmark for traceability of forest and tree-based products.

The strategic importance of this certification cannot be overstated.

In an era defined by the European Deforestation-Free Regulation ("EUDR") and increasing scrutiny over supply chain transparency, our adherence to the PEFC framework serves as a vital assurance of legality and sustainability. Our primary manufacturing hub in Kechau Tui, Pahang, operates under this certification to process a variety of inputs, including PEFC-certified logs, slabs, off-cuts, shavings, and sawdust. MIECO effectively implement a circular economy model that maximises the value of every cubic metre of harvested timber while reducing the pressure on standing natural forests by utilising secondary wood residues (often the by-products of primary sawmilling).

Operationalising the Chain of Custody: The Percentage-Based Method

This methodology is designed for manufacturing environments where PEFC-certified materials are combined with controlled materials that have been verified to originate from legal and acceptable sources, producing a homogeneous output such as particleboard. Under this regime, we determine the certified content of a product group by the ratio of PEFC-certified input material to the total volume of forest-based inputs over a specified claim period.

The mathematical integrity of our claims is verified through an annual audit process. According to our audit checklist in FYE 2025, we demonstrate high fidelity in our classification of material categories. We maintain detailed records of all our suppliers, verifying their PEFC-certified status on the official PEFC database before accepting claims. This process is crucial for us to prevent the "leakage" of controversial materials into our certified supply chain.

SUSTAINABILITY STATEMENT
(CONT'D)

Input Identification and Documentation Verification

Our procurement team follows a strict protocol for each delivery of material. For every batch of wood chips, sawmill slabs, or sawdust, we must obtain documentation that includes supplier identification, product description, quantity, and a unique delivery identification linked to an accounting period. For materials carrying a PEFC claim, we ensure the document explicitly states the applicable PEFC claim (e.g., 100% PEFC Certified) and the supplier's certificate number.

Our 2025 audit verified several sample invoices that illustrate the robustness of our system. Invoices from selected suppliers showed clear identification of product categories such as "Sawmill Slabs & Sawdust" and "Slabs," with corresponding PEFC claims. The auditor verified that these inputs were correctly classified as 100% PEFC Certified sawn timber residues, which then entered the calculation for our final output percentage.

Example Verified Input Sample	Quantity	PEFC Claim
Invoice 1	180.38 MT	100% PEFC Certified
Invoice 2	53.68 MT	100% PEFC Certified
Invoice 3	414.86 MT	100% PEFC Certified

Output Declarations and Customer Transparency

We close the traceability loop when we issue sales documentation to our customers. Each delivery of particleboard or laminated board must provide our PEFC customers with identifying information that links the physical product to the certified claim. The audit results from Kechau Tui confirmed that our sales invoices include the necessary details: our name as the supplier, specific product dimensions, quantities in both pieces and cubic metres, and the formal PEFC claim accompanied by our own certificate number (SGS-MTCS/COC-0042).

This transparency is vital for our downstream manufacturers who may use our particleboards as a substrate for finished furniture. By providing a "100% PEFC Certified" claim on our output, we allow our customers to make their own on-product label claims, thereby extending the sustainability narrative to the final consumer.

Our Due Diligence System ("DDS"): Navigating Risk in the Malaysian Timber Sector

A fundamental requirement of our PEFC certification is the implementation of a DDS to ensure that no material from "controversial sources" enters our production process. We understand that PEFC defines controversial sources broadly to include illegal logging, violation of land tenure and use rights for indigenous peoples, lack of compliance with health and safety legislation, and the conversion of natural forests to other land uses.

Our Three-Step DDS Architecture

Our DDS follows the standardised three-step approach required by PEFC ST 2002:2020:

1. **Access to Information:** We identify the tree species and the country/region of harvest for all inputs. The primary species we utilise is "Mix tropical Hardwood" sourced within the state of Pahang.

2. **Risk Assessment:** We evaluate the likelihood that the material originates from controversial sources. We base this assessment on indicators at both the origin level (governance, conflict status) and the supply chain level (transparency of trade).

3. **Management of Significant Risk Supplies:** If a supply is deemed "significant risk", we implement mitigation measures, such as on-site inspections or third-party verifications, to reduce the risk to a "negligible" level.

SUSTAINABILITY STATEMENT
(CONT'D)

Pahang District: A Case Study in Negligible Risk

In our PEFC MTCS Risk Assessment Report which was certified by Mutuagung Lestari International, Indonesia in FYE 2025, we provided a detailed justification for classifying timber from the Pahang district as "Negligible Risk", despite the national-level classification of "Significant Risk" for Malaysia due to Transparency International Corruption Perceptions Index ("CPI") scores being at the threshold of 50. This regional differentiation is a key feature of the PEFC DDS, allowing us to recognise effective governance at sub-national levels.

Our determination of negligible risk in Pahang is anchored in the state's robust log-tracking system. Every log transported from state land forest or forest reserves must be accompanied by a "Removal Pass" issued following inspection carried out during logging activities by the Pahang Forestry Department. This document serves as a legal "passport" for our timber, containing the license number, tag numbers, species, and dimensions. Lorry drivers are required to pass through Forestry Department Checking Stations ("FCS") where officials physically verify the load against the Removal Pass and the 'Tree Marking Record Book'. This rigorous enforcement mechanism ensures that illegal logging is minimised and that all timber entering our Kechau Tui facility is legally harvested and fully traceable.

Risk Level Indicator	Pahang District Findings	Evidence Base
Illegal Logging Prevalence	Minimal to no issues reported in the district of origin	Forestry Department monitoring records
Traceability Protocol	Logs inspected at FCS for tag #, species, and diameter	Physical checking at stations
Legal Documentation	Compulsory Removal Passes for all transportation	Forestry Department regulations
Conflict Status	No armed or political conflicts in Malaysia	UN and regional security reports
CITES Compliance	No used species listed in Convention on International Trade in Endangered Species of Wild Fauna and Flora ("CITES") Appendices I-III	Species identification records

Our PEFC Trademarks and Consumer Communication

The final stage of our PEFC framework involves the communication of our sustainability claims to the public. PEFC ST 2001:2020 governs our use of PEFC trademarks, including the logo and initials. We operate under a valid trademark licence, ensuring that any on-product or off-product labelling is accurate and transparent.

On-Product Labelling Rules

According to the PEFC Trademark Rules, we can use an on-product label when at least 70% of the forest and tree-based material in our product is PEFC-certified. This threshold is critical for us to build consumer trust. The label message typically states: " is from sustainably managed forests, recycled and controlled sources". Our adherence to the "Percentage Based Method" ensures that our labelled particleboards consistently meet or exceed this 70% requirement.

Off-Product Promotional Use

For our promotional materials such as websites, catalogues, and brochures, we utilise the PEFC promotional label to communicate our affiliation with the PEFC system. We generate these labels using the official PEFC Label Generator to ensure graphic integrity and include our unique licence number. This ensures that our stakeholders can verify our certification status directly on the PEFC international database, preventing the misuse of trademarks and upholding the integrity of the certification scheme.

SUSTAINABILITY STATEMENT
(CONT'D)

Alignment with UNSDGs

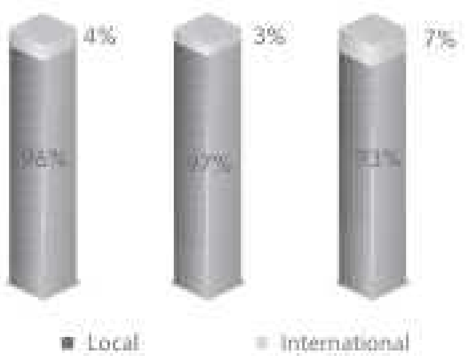
Our implementation of the PEFC CoC and DDS ensures that our operational objectives are inextricably linked to the United Nations 2030 Agenda for Sustainable Development. We specifically contribute to the following goals:

- Goal 15: Life on Land (Target 15.2): This is the most direct alignment for our organisation. PEFC serves as a global mechanism to promote the implementation of sustainable management for all types of forests. By sourcing timber only from verified "Negligible Risk" areas like Pahang, we actively support the global target to halt deforestation and restore degraded forests.
- Goal 12: Responsible Consumption and Production (Target 12.2): Our PEFC CoC certification ensures the sustainable management and efficient use of natural resources. Through our "Percentage Based Method", we provide our customers with verifiable evidence that their products originate from responsibly managed sources. Our use of sawmill residues and rubberwood further supports Target 12.5 by substantially reducing waste generation through the circular economy.
- Goal 8: Decent Work and Economic Growth (Target 8.8): PEFC ST 2002:2020 Clause 4.10 requires us to uphold social, health, and safety requirements based on the ILO Declaration on Fundamental Principles and Rights at Work. By protecting labour rights and promoting safe, secure working environments for all our employees and contractors, we directly contribute to the targets of Goal 8.
- Goal 13: Climate Action: Forests are essential for climate regulation through carbon sequestration. Our particleboards act as biogenic carbon sinks, storing approximately 1,290 kg of carbon per cubic metre. By ensuring the forests we source from are sustainably managed under PEFC standards, we help maintain their capacity to absorb industry emissions and mitigate the impacts of climate change.

OUR PERFORMANCE

The Group remains committed to supporting local suppliers as part of its procurement practices. In FYE 2025, approximately 93% of total procurement spending was directed towards local suppliers. MIECO continues to prioritise and support local procurement where feasible while ensuring operational requirements and quality standards are met.

Supply Chain Management



Year	FYE 2023	FYE 2024	FYE 2025
Local (Percentage)	96%	97%	93%
International (Percentage)	4%	3%	7%

SUSTAINABILITY STATEMENT
(CONT'D)

ENVIRONMENTAL

	Various environmental risks, such as global warming, have become immediate realties. MIECO is committed to addressing global environmental issues like climate change, resource depletion, and ecosystem destruction through our environmental management philosophy of Reduce Carbon Footprint and Add Nature.

CLIMATE MANAGEMENT & ENERGY MANAGEMENT

UNSDGs

This Section aligns with goals:

OUR APPROACH

Climate change presents potential risks and opportunities that may affect the Group's operations, cost structure and long-term sustainability. MIECO recognises the importance of monitoring climate-related matters and managing its Greenhouse Gas ("GHG") emissions transparently and responsibly.

At this stage, the Group does not have a formal climate change strategy, emissions reduction targets or dedicated climate governance structure in place. The current focus is on identifying key sources of emissions within the Group's operations and establishing a baseline understanding of its carbon footprint, which will support future assessments and decision-making as regulatory expectations and business priorities evolve. The Group may progressively enhance its climate-related practices and disclosures over time, subject to data availability, operational considerations and regulatory developments. Climate-related information is reported to enhance transparency and to meet stakeholder and reporting requirements.

GREENHOUSE GAS EMISSIONS

Scope 1 (Direct Emissions): Scope 1 emissions arise from direct sources owned or controlled by the Group, including fuel combustion from stationary and mobile sources used in operations.

Scope 2 (Indirect Emissions from Purchased Energy): Scope 2 emissions consist of indirect emissions from the consumption of purchased electricity used in the Group's manufacturing facilities and offices.

Scope 3 (Other Indirect Emissions): Scope 3 emissions include other indirect emissions that occur along the value chain, such as employee commuting, business travel and selected upstream and downstream activities, where data is available. The Group continues to improve its understanding of emissions across the three scopes to support more comprehensive climate-related reporting in future periods.

OUR APPROACH

MIECO recognises the importance of managing emissions arising from its manufacturing activities to minimise environmental and health impacts. In addition to controlling air emissions from operations, the Group places emphasis on product-related emissions that may affect indoor air quality and end-users.

MIECO complies with the CARB Airborne Toxic Control Measure ("ATCM") requirements under California Code of Regulations 93120 for reducing formaldehyde emissions from composite wood products. As CARB standards are widely recognised as benchmarks for formaldehyde emission control globally. Compliance reflects MIECO's commitment to producing low-emission products that meet international environmental standards while supporting access to export markets and strengthening stakeholder confidence. For applicable products, MIECO's particleboard meets the CARB Phase II formaldehyde emission limit of 0.09 ppm, supported by compliance with the applicable emission standard requirements and the required QA provisions.

SUSTAINABILITY STATEMENT
(CONT'D)

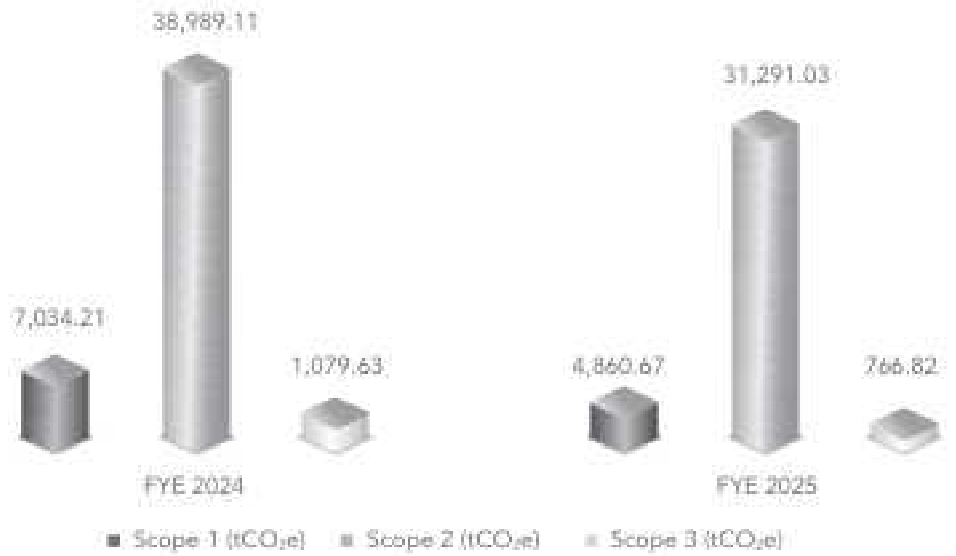
This commitment is further reinforced by MIECO's CARB Certificate of Conformity for particleboard (Certificate No. TPC 6/CARB-ATCM/M084-PB01). The certification framework includes periodic on-site inspections and verification testing using the primary test method, ASTM E1333 to ensure ongoing compliance with the applicable emission standard and QA requirements. The certified particleboard scope covers a thickness ranging from 9.0 mm to 25.0 mm.

For FYE 2025, the Group continues to maintain CARB II compliance across relevant product lines, reinforcing its commitment to responsible manufacturing practices, product quality, and the reduction of harmful emissions associated with wood-based products.

OUR PERFORMANCE

MIECO's climate management focuses on measuring and managing GHG emissions across Scope 1, Scope 2 and Scope 3, reflecting both our operational footprint and value chain impacts. A complete inventory across these scopes supports decision-useful disclosure and strengthens our ability to prioritise reductions where we have the most control and influence.

Emission Management



GHG Emissions	FYE 2024	FYE 2025
Scope 1 (tonnes CO_2e)	7,034.21	4,860.67
Scope 2 (tonnes CO_2e)	38,989.11	31,291.03
Scope 3 (Business Travel & Employee commute)	387.39	261.99
Scope 3 (Upstream Distribution)	692.24	504.83
Total Emissions (tonnes CO_2e)	47,102.95	36,918.52

SUSTAINABILITY STATEMENT
(CONT'D)

Scope 1 Emission

Stationary Combustion

Scope 1 emissions arise from the direct combustion of fuels within the Group's operations. MIECO's emissions were generated from diesel consumption, LPG usage and biomass (dust energy) utilised in production processes.

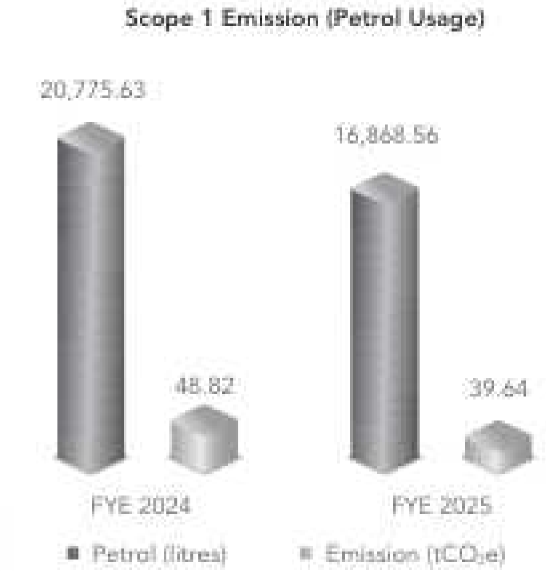
In FYE 2025, total Scope 1 emissions from stationary combustion decreased from 5,229.5 tCO_2e to 3,404.08 tCO_2e, a 34.9% reduction. The decline was driven primarily by the sharp reduction in dust energy (biomass) emissions from 2,720.65 tCO_2e to 997.55 tCO_2e, reflecting lower production activity.

Fuel Type	Measurement	Emission Factors	FYE 2024	FYE 2025
Diesel	Litres	2.66	942,780	904,250
	tCO_2e		2,507.79	2,405.31
LPG Gas	kg	1.56	686	784
	tCO_2e		1.07	1.22
Dust Energy	Mt	42.76	63,626	23,329
	tCO_2e		2,720.65	997.55

The emission factors are based on industry standard as provided by UK Government GHG Conversion Factors for Company Reporting 2024. Retrieved from https://www.gov.uk/ government/collections/government-conversion-factors-for-company-reporting 240

Mobile Combustion

The Company's mobile combustion emissions arise from the consumption of petrol and diesel in company-owned vehicles, totalling 1,456.59 tCO_2e for FYE 2025.



SUSTAINABILITY STATEMENT
(CONT'D)

Fuel Type	Measurement	FYE 2024	FYE 2025
Petrol	Litres	20,775.63	16,868.56
	tCO_2e	48.82	39.64
Diesel	Litres	660,105.00	532,689.00
	tCO_2e	1,755.88	1,416.95

The emission factors are based on industry standard as provided by UK Government GHG Conversion Factors for Company Reporting 2024

- Petrol : 2.35 kg CO_2 per litre
- Diesel : 2.66 kg CO_2 per litre

Scope 2 Emission

OUR PERFORMANCE

Scope 2 represents indirect greenhouse gas emissions arising from the generation of purchased electricity consumed by the Group. For MIECO, Scope 2 emissions are a key operational climate indicator, as electricity is a primary energy source supporting industrial wood pellet manufacturing and related operations.

In FYE 2025, MIECO recorded a reduction in electricity consumption to 40,427.68 MWh compared with 50,373.52 MWh in FYE 2024, representing a year-on-year decrease of 19.74%. The reduction was primarily attributable to lower output during the financial year end and shift in the product line towards less energy intensive production processes. Correspondingly, Scope 2 emissions decreased to 31,291.02 tCO_2e.

Year	Electricity Usage (MWh)	Total Emission (tCO_2e)
FYE 2023	76,996.64	59,595.40
FYE 2024*	50,373.52	38,989.11
FYE 2025	40,427.68	31,291.02

** Restatement of data.*

The emission factors are based on industry standard as provided by MGTC | Peninsular Malaysia's Electricity: 0.774 kg CO_2-eq per kWh

SUSTAINABILITY STATEMENT
(CONT'D)

Scope 3 Emission

OUR PERFORMANCE

Scope 3 emissions encompass GHG emissions that are not produced by the Group itself and are not the result of activities from assets owned or controlled by MIECO. These emissions arise across the value chain, both upstream and downstream, including activities such as purchased goods and services, transportation and distribution, waste management, business travel, employee commuting, and other operational-related activities carried out by third parties.

Although Scope 3 emissions occur outside the Company's direct operational boundary, they represent an important component of MIECO's overall carbon footprint. Monitoring and managing Scope 3 emissions enables the Company to better understand its broader environmental impact, identify emission hotspots within the value chain, and implement targeted reduction strategies.

3.4 Upstream Distribution

In FYE 2024 and FYE 2025, upstream distribution emissions were generated from transportation activities involving both sea and road freight. In FYE 2024, emissions were derived from sea transportation and road transport, with road transport contributing the majority of emissions. In FYE 2025, emissions were solely attributable to road transport activities.

The emissions are calculated using activity data based on distance travelled and relevant emission factors in accordance with recognised greenhouse gas accounting methodologies. The emission factor applied for road transport remains consistent at 0.48733 kg CO_2e per km across both reporting periods.

Total upstream distribution emissions decreased from 697.51 tCO_2e in FYE 2024 to 504.83 tCO_2e in FYE 2025. This reduction is primarily driven by lower total transportation distance in FYE 2025, reflecting changes in logistics demand and distribution patterns during the reporting year.

EMISSION OF UPSTREAM DISTRIBUTION

Year	Mode	Conversion Factor	Unit	Reading	Total Emission (tCO_2e)
FYE 2024	Sea	0.01321	Distance (tonne/km)	398,808	5.27
	Road	0.48733	Distance (km)	1,420,480	692.24
FYE 2025	Road	0.48733	Distance (km)	1,035,909	504.83

SUSTAINABILITY STATEMENT
(CONT'D)

3.7 Employee Commuting

Employee commuting is reported under Scope 3, Category 7, and reflects emissions generated from daily travel between employees' residences and MIECO's operational facilities. The Company monitors commuting-related emissions to better understand its environmental impact and to identify opportunities for reduction in line with its sustainability commitments.

In FYE 2025, total commuting distance decreased to 1,905,569 km, resulting in total emissions of 261.99 tCO_2e. Car travel declined to 984,976.8 km, contributing 162.03 tCO_2e, while motorcycle travel reduced to 879,410.2 km, generating 99.96 tCO_2e. Additionally, 41,182 km were recorded under walking.

The overall reduction was primarily attributed to a decrease in workforce during the financial year under review, as well as the provision of accommodation near the site, which reduced reliance on motorised transport and encouraged walking as a practical commuting option.

Year	Transport Type	Total Distance Travelled (km)	Total Emission (tCO_2e)
FYE 2024	Car*	1,536,263.4	252.72
	Motorcycle*	1,184,785.2	134.67
	Walking	58,632.0	0
	Car	984,976.8	162.03
FYE 2025	Car	984,976.8	162.03
	Motorcycle	879,410.2	99.96
	Walking	41,182.0	0

** Restatement of data*

The emission factors are based on industry standards as provided by UK Government GHG Conversion Factors for Company Reporting 2023:

- Petrol Car : 0.1645 kg CO_2-eq per km
- Motorcycle : 0.11367 kg CO_2-eq per km

SUSTAINABILITY STATEMENT
(CONT'D)

WATER & EFFLUENT MANAGEMENT

UNSDGs

This Section aligns with goals:

OUR APPROACH

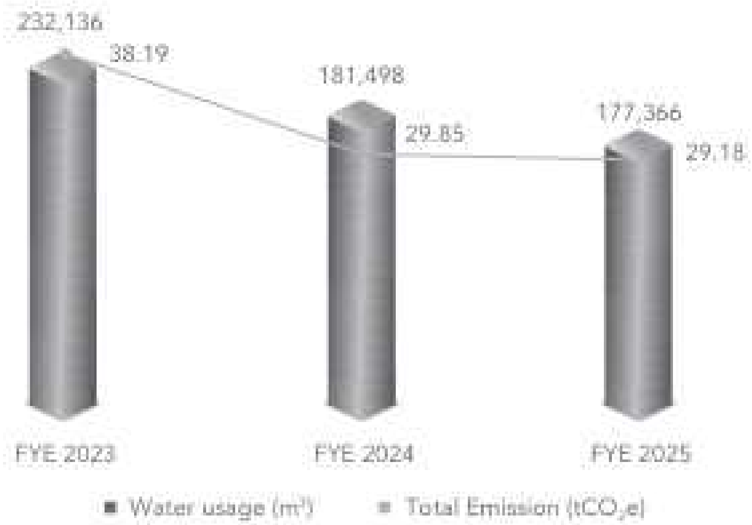
Water is an essential resource in the Group's operations. MIECO monitors its water consumption to support operational needs and to ensure compliance with applicable regulatory and reporting requirements. Water usage data is collected for reporting purposes to provide visibility on consumption trends across reporting periods.

Our focus remains on tracking water usage to establish a baseline for future assessment and improvement opportunities, as operational and business priorities evolve.

OUR PERFORMANCE

The Group reports water consumption and the associated emissions to enhance transparency of its environmental footprint. In FYE 2025, total water consumption decreased marginally compared to the previous financial year, resulting in a corresponding reduction in water-related emissions. The change reflects normal operational variations during the reporting period.

WATER USAGE



Year	Water usage (m^3)	Total Emission (tCO_2e)
FYE 2023	232,136	38.19
FYE 2024	181,498	29.85
FYE 2025	177,366	29.18

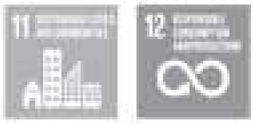
** The emission factors are based on industry standard as provided by UK Government GHG Conversion Factors for Company Reporting 2023 [Water: 0.1645 kg CO_2 per m^3]*

SUSTAINABILITY STATEMENT
(CONT'D)

WASTE MANAGEMENT

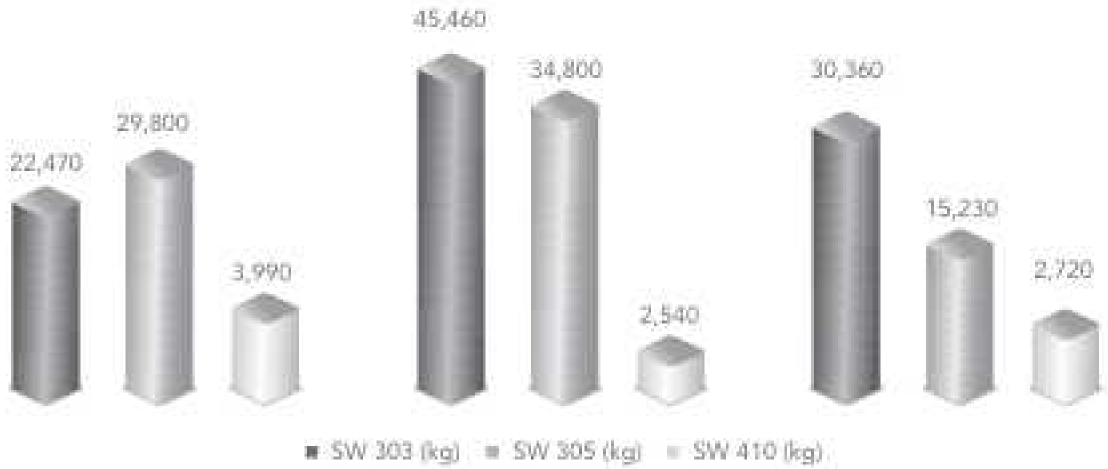
UNSDGs

This Section aligns with goals:



In FYE 2025, MIECO monitored scheduled waste generated from its operations as part of routine environmental management and regulatory compliance. Total scheduled waste recorded for the year was 48,310 kg, comprising Scheduled Waste ("SW") 303 (30,360 kg), SW 305 (15,230 kg) and SW 410 (2,720 kg). These figures support internal tracking of waste streams and help inform operational follow-up actions, particularly for SW 303, which represented the largest portion of scheduled waste in FY2025.

WASTE MANAGEMENT



Type of Waste	FYE 2023 (kg)	FYE 2024 (kg)	FYE 2025 (kg)
Scheduled waste			
SW 303	22,470	45,460	30,360
SW 305	29,800	34,800	15,230
SW 410	3,990	2,540	2,720
Total Waste	56,260	82,800	48,310

SUSTAINABILITY STATEMENT
(CONT'D)

ENVIRONMENTAL COMPLIANCE & EMISSIONS DISCHARGE

UNSDGs

This Section aligns with goals:

Our EMS under ISO 14001:2015 is active and operational. We identify aspects and impacts across departments and extended these to cover wood pellet installation and operations.

Action plans are established to address significant environmental aspects such as:

- Dust laden water potentially entering drains
- Gearbox oil spills
- Forklift oil leaks
- Black smoke from combustion processes
- Dust accumulation on filters
- Moisture dependent dust generation
- Pump leaks
- Internal machine fire risk for control

Brief Overview on ISO 14001

ISO 14001:2015 is the internationally recognised EMS standard. It does not prescribe specific environmental performance criteria but provides a systematic framework for organisations to enhance their environmental performance, fulfil compliance obligations, and achieve environmental objectives.

The standard is founded on the Plan-Do-Check-Act ("PDCA") cycle and is built around seven core clauses that guide our strategic approach:

- Context of the organisation: Understanding the external and internal issues, and the needs of interested parties, that are relevant to our environmental responsibilities.
- Leadership: Demonstrating active commitment from top management to integrate environmental management into core business strategy.
- Planning: Identifying environmental aspects and impacts, compliance obligations, and actions to address risks and opportunities.
- Support: Providing resources, building competence, raising awareness, and managing communication and documented information.
- Operation: Planning and controlling processes, incorporating a life cycle perspective, and managing outsourced functions.
- Performance evaluation: Monitoring, measuring, analysing, and evaluating environmental performance and compliance.
- Improvement: Addressing nonconformities and pursuing continual improvement of both the EMS and environmental performance.

Through ISO 14001:2015, we embed a life cycle perspective and risk-based thinking into our environmental management, enabling proactive identification of environmental aspects and mitigation of adverse impacts. The certification demonstrates our commitment to environmental protection, sustainable resource use, and regulatory compliance, providing stakeholders with verifiable assurance of our environmental responsibility and continual improvement.

SUSTAINABILITY STATEMENT
(CONT'D)

We evidence compliance through independent effluent and air testing performed on in FYE 2025, which found compliance with Standard A of the Environmental Quality Regulations for industrial effluent and sewage, and with the Clean Air Regulations 2014. We managed scheduled waste through licensed contractors with traceable consignment notes. We also verified Certificates of Fitness for lifting and access equipment relevant to the safe environmental operation of our activities.

We operate environmental controls across the weighbridge, logyard, upstream (chipper, flaker, dry area, wood pellet), midstream (MFC) – In-House Impregnation, Short Cycle Press) and support areas including the scheduled waste store, laboratory, administration office, canteen and surau. These controls include signage, Personal Protective Equipment ("PPE"), spill kits, first aid kits and fire extinguishers. In the canteen, we maintain cleanliness, separate oil and food waste using filters and segregate paper for recycling, which are practical environmental measures.

For UNSDGs, our effluent and air compliance, scheduled waste stewardship and operational controls support SDG 6 on clean water and sanitation, SDG 11 on sustainable communities and SDG 12 on responsible consumption and production, as evidenced by consignment notes, independent monitoring and site controls such as spill kits, signage and waste segregation. The BS EN ISO 9001 audit included a climate context observation, encouraging the Company to formally recognise climate-related risks within its management system and align its practices with UNSDG Goal 13. MIECO was accredited during the upgraded version of the standard and simultaneously integrated the relevant requirements in 2004 by AJA EQS Certification. This approach supports the integration of climate considerations into our quality management framework and reinforces our commitment to sustainable and responsible operations.

Technical Environmental Performance: Emissions and LCA

We believe the sustainability of an engineered wood product is ultimately defined by its chemical composition and its life-cycle impact. We have made significant strides in reducing the environmental footprint of our manufacturing processes, particularly in our management of formaldehyde emissions and carbon sequestration.

Managing Indoor Air Quality: CARB 2 and Super E0 Standards

Formaldehyde, a chemical used in the urea-formaldehyde ("UF") and melamine-formaldehyde ("MF") resins that bind wood particles, is a known respiratory irritant and standards. We were a market leader in this area, commercialising "Super E0" particleboard (equivalent to the Japanese F-4 Star grade) as early as 2003.

Our products meet a comprehensive suite of international health and safety grades. This includes the mandatory E1 grade for the European market and the CARB II required for the United States. CARB II standard is particularly rigorous, setting the limit for particleboard at 0.09 parts per million ("ppm"). By adhering to these standards, we ensure that our products contribute to safe indoor air quality which is suitable for high-end furniture and interior design projects globally.

Emission Grade	Formaldehyde Release Limit
Class E2	8 mg to 20 mg / 100g
Class E1	≤ 8 mg / 100g
CARB II	≤ 0.09 ppm
Japanese F-4 Star grade	≤ 0.3 mg / L

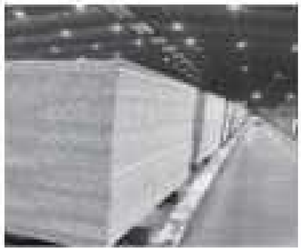
Our Carbon Advantage

The Life Cycle Assessment ("LCA") of wood composite panels reveals significant environmental benefits compared to alternative materials like steel, concrete, or plastic. Our engineered wood products act as biogenic carbon sinks, storing the carbon dioxide that was absorbed by trees during their growth phase. Research indicates that 1.0 cm^3metre of particleboard can store approximately 1,290 $kgCO_2e$.

Our use of sawmill waste and rubberwood as raw materials directly supports this low-carbon profile, as it diverts biomass from decay or open burning and locks it into durable products that can serve for decades. This approach underscores the Group's commitment to circular economy principles, particularly in resource utilisation and reforestation, reflecting our early adoption of sustainable practices as a rubberwood-based manufacturer in Malaysia.

SUSTAINABILITY STATEMENT
(CONT'D)

Rubberwood and Sawmill Residues



Our utilisation of rubberwood (*Hevea brasiliensis*) is an exemplary sustainable practice. In Malaysia, rubber trees are typically harvested on a 25 to 30 year rotation. By converting these felled trees into our high-quality particleboard, we provide a "second life" for the wood fibre. We supplement this practice by sourcing slabs, chips, and sawdust from primary sawmills in Pahang. These residues would otherwise represent a significant disposal challenge; instead, it is transformed into engineered panels with high structural integrity and aesthetic value.

Our Sustainable Timber Sourcing and Forest Management

The Group recognises the importance of sustainable forest management in supporting the long-term availability of timber resources. In Malaysia, various reforestation and forest rehabilitation initiatives are undertaken by government agencies and industry stakeholders to restore degraded forest areas and support the development of sustainably managed timber plantations.

Within this broader ecosystem, the Group sources wood-based raw materials from suppliers that comply with recognised certification standards, including the Programme for the Endorsement of Forest Certification CoC requirements. These standards provide a framework for verifying that timber originates from responsibly managed sources and acceptable supply chains.

Through the implementation of these certification requirements, the Group seeks to promote transparency and responsible sourcing practices within its supply chain while supporting the broader objectives of sustainable forest management in Malaysia.

National Recognition and Green Certification Synergy

Our product profile is further enhanced by our integration into Malaysia's national green certification framework. We are a prominent participant in the MyHijau programme, which is the government's official recognition for green products and services.

The MyHijau Mark and Government Green Procurement

Administered by the Malaysian Green Technology and Climate Change Corporation ("MGTC"), the MyHijau Mark brings together certified green products that meet international environmental standards. Our wood pellets and particleboards are recognised under the MyHijau directory, which serves as a reference point for Government Green Procurement. This certification provides us with several strategic advantages:

- Credibility: It signifies that our products have undergone environmental performance verification based on internationally recognised standards like PEFC.
- Market Access: It qualifies us for private and public sector projects that prioritise certified green materials, such as those aiming for Leadership in Energy and Environmental Design ("LEED") or Green Building Index ("GBI") ratings.
- Tax Incentives: As a certified company, MIECO's customers may be eligible to apply for the Green Investment Tax Allowance ("GITA") and other incentives under Malaysia's green growth programmes.

Our Phytosanitary and Quality Standards: MPCA and ISO 14001

Our commitment to operational excellence is evidenced by our attainment of numerous management system certifications. We were the first in Malaysia's wood-panel industry to receive the ISO 14001 EMS accreditation from Lloyd's Register QA.

SUSTAINABILITY STATEMENT
(CONT'D)

Furthermore, we hold the Malaysian Phytosanitary Certification Scheme ("MPCA") recognition, administered by the Department of Agriculture. This certification is vital for our international trade, as it confirms that our wood consignments meet specified treatment requirements to prevent the transboundary spread of forest pests and diseases. By aligning MPCA with PEFC and ISO standards, we enhance the consistency of our assurance approach across our operations and supply chain.

Certification / Award	Issuing Body	Operational Significance
MyHijau Mark	MGTC / Ministry of Natural Resources	**Recognition for Government Green Procurement**
MPCA	Department of Agriculture Malaysia	**Compliance with phytosanitary export standards**
ISO 14001	AJA EQS Certification	**Global benchmark for environmental management**
ISO 45001	AJA EQS Certification	**Standards for occupational health and safety**
MTIB Green Award	Minister of Commodities	**Award for innovative and green wood products**
Platinum Status	AJA EQS Certification	**Awarded a platinum status & recognition of having a World Class Commitment in Adopting ISO Management System over 15 years**

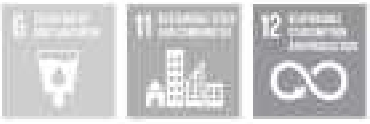
SOCIAL

MIECO safeguards the human rights of our employees and stakeholders by fostering a corporate culture rooted in diversity, equity, and inclusion ("DEI"). We are committed to providing a safe and healthy working environment, and to supporting the local communities where we operate through practical action plans and consistent implementation. Central to this commitment is building a workplace where employees feel heard, valued, and supported through strong employee engagement practices and fair, competitive employee benefits.

DIVERSITY, EQUITY AND INCLUSION

UNSDGs

This Section aligns with goals:



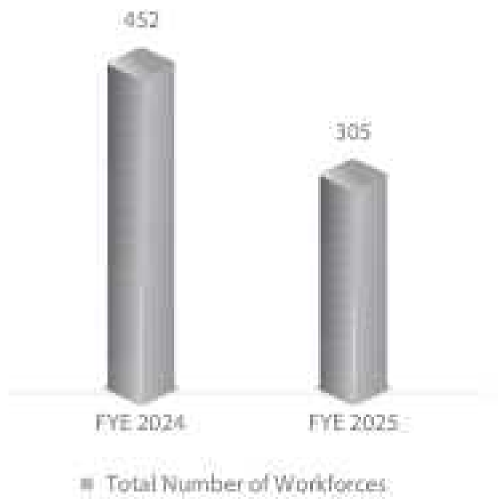
Diversity, Equity and Inclusion

MIECO is committed to creating social values by placing people at the centre of its operations and upholding a culture of respect and fairness. We recognise our employees as key contributors to the Group's performance and long-term sustainability, and we strive to provide a workplace where individuals are treated with dignity, given equal opportunities and evaluated based on merit.

The Group promotes transparent and fair employment practices, supports non-discrimination and encourages mutual respect across all levels of the organisation. Through inclusive workplace practices and responsible stakeholder engagement, MIECO aims to foster a cooperative environment that supports shared growth and long-term sustainability for employees, business partners and the wider community.

SUSTAINABILITY STATEMENT
(CONT'D)

Our Employees



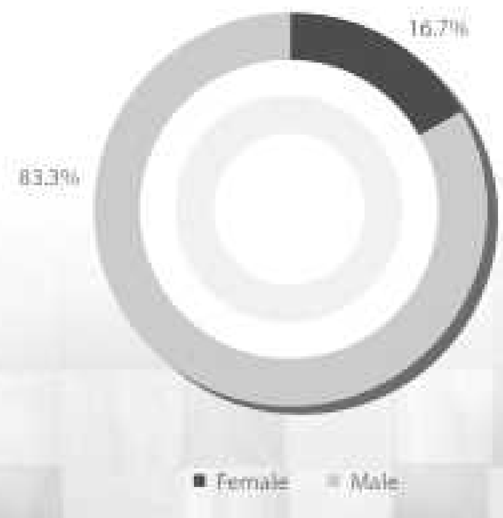
Year	Total Number of Workforces
FYE 2024	452
FYE 2025	305

Board Diversity

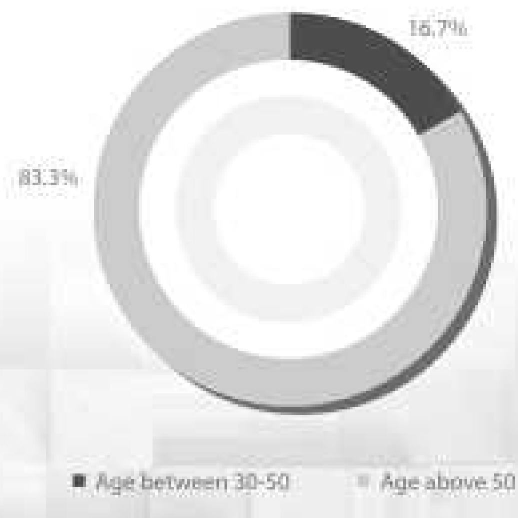
MIECO's Board comprises members with a diverse range of professional backgrounds, skills, experience and perspectives, which collectively support effective oversight and informed decision-making. The Board recognises the value of diversity, including gender and age diversity, in strengthening governance and Board effectiveness.

As at FYE 2025, female representation accounts for 16.7% of the Board, while male directors comprise 83.3%. In terms of age diversity, 83.3% of Board members are aged above 50, with the remaining 16.7% aged between 30 and 50. This composition reflects a balance between seasoned leadership with extensive industry experience and perspectives from relatively younger directors. The gender and age distribution of the Board for FYE 2025 is illustrated in the diagram below.

BOARD GENDER DIVERSITY



BOARD AGE DIVERSITY



SUSTAINABILITY STATEMENT
(CONT'D)

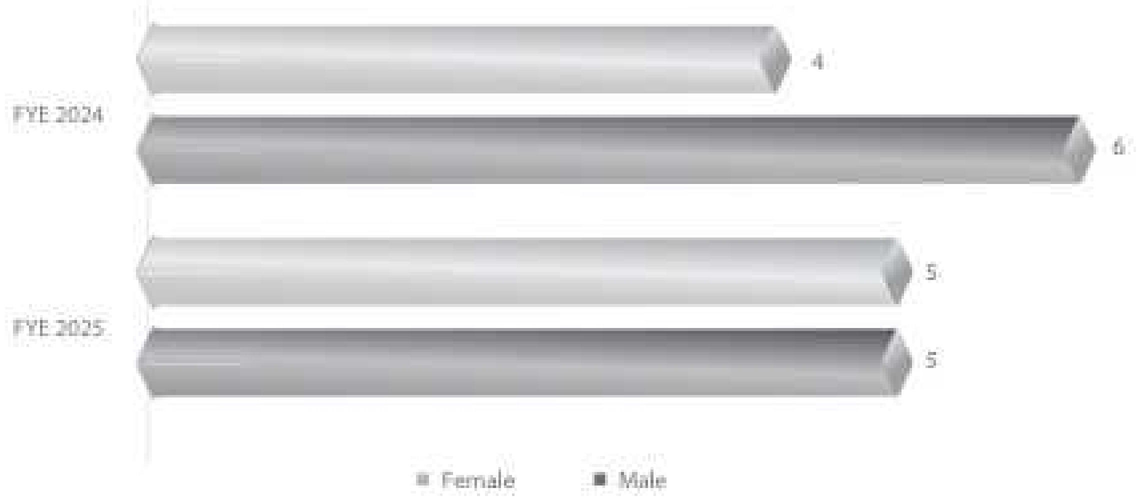
Gender Diversity

MIECO is committed to providing equal employment opportunities to men and women and to fostering a workplace where employees can develop and demonstrate their capabilities based on merit and performance. The Group upholds fair recruitment, promotion and development practices, while promoting a respectful and inclusive working environment across all employment categories.

In FYE 2025, gender representation at the management level improved to an equal composition of male and female members. The Executive category remained relatively balanced across both financial years. Non-Executive and General Worker categories continue to be predominantly male, reflecting the operational and manufacturing nature of certain roles. MIECO remains committed to equal opportunity practices and continues to support fair participation across all employment levels.

Management

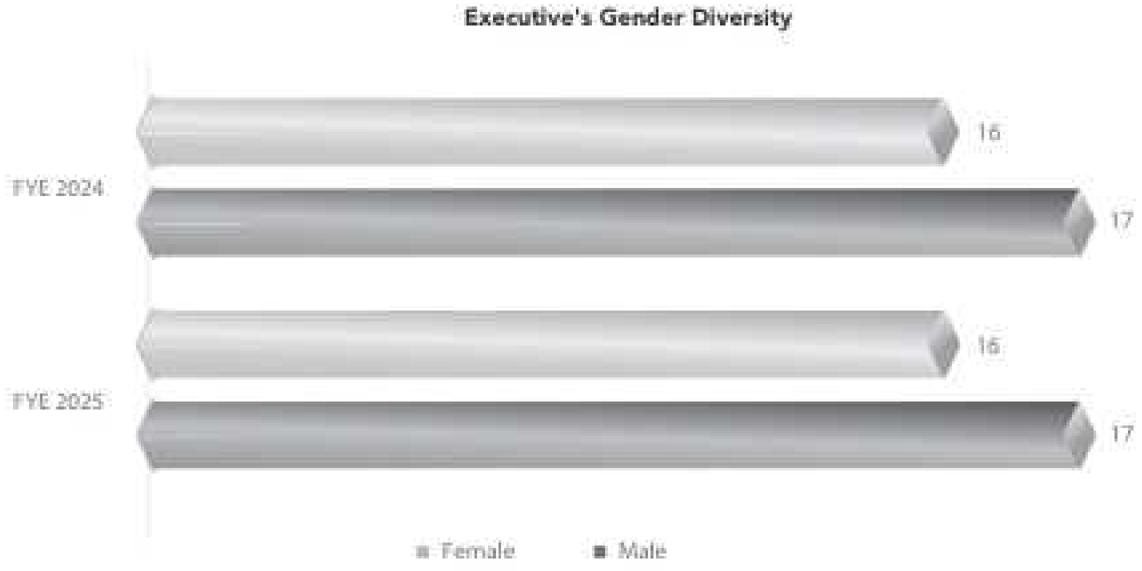
Management's Gender Diversity



Year	Male	Female
FYE 2024	6	4
FYE 2025	5	5

SUSTAINABILITY STATEMENT
(CONT'D)

Executive



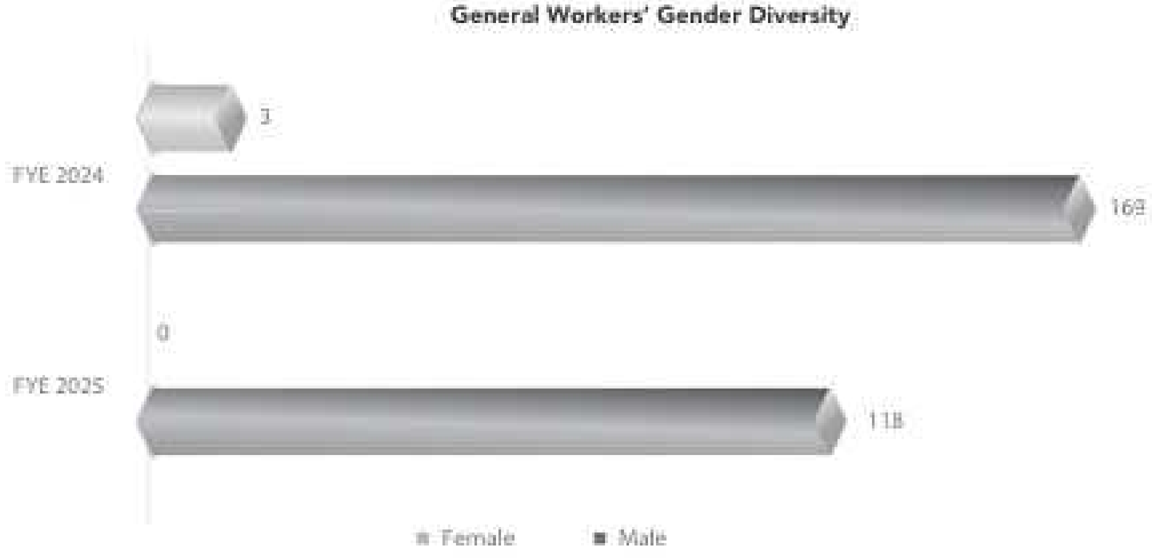
Year	Male	Female
FYE 2024	17	16
FYE 2025	17	16

Non-Executive

Year	Male	Female
FYE 2024	195	36
FYE 2025	124	20

SUSTAINABILITY STATEMENT
(CONT'D)

General Workers



Year	Male	Female
FYE 2024	169	3
FYE 2025	118	0

SUSTAINABILITY STATEMENT
(CONT'D)

Age Diversity

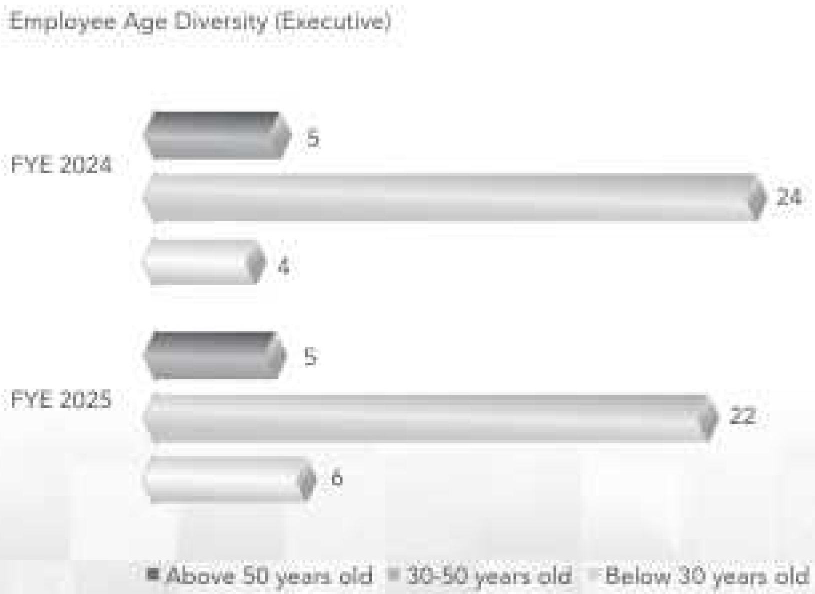
MIECO values a balanced workforce comprising employees from different age groups, recognising that diversity in experience and perspectives contributes to stronger decision-making and operational resilience. The Group maintains a mix of experienced leadership and mid-career as well as younger employees across its operations.

In FYE2025, Management continued to comprise mainly employees above 50, providing leadership experience and continuity. The Executive and Non-Executive categories remained largely concentrated within the 30 to 50 age group, reflecting an experienced and operationally active workforce. General Worker roles were primarily held by employees below 50, consistent with the physical and operational nature of these positions. Overall, the Group maintains a stable age profile across employment categories, supporting both continuity and workforce renewal.

Management

Year	Below 30	30-50	Above 50
FYE 2024	0	5	5
FYE 2025	0	4	6

Executive

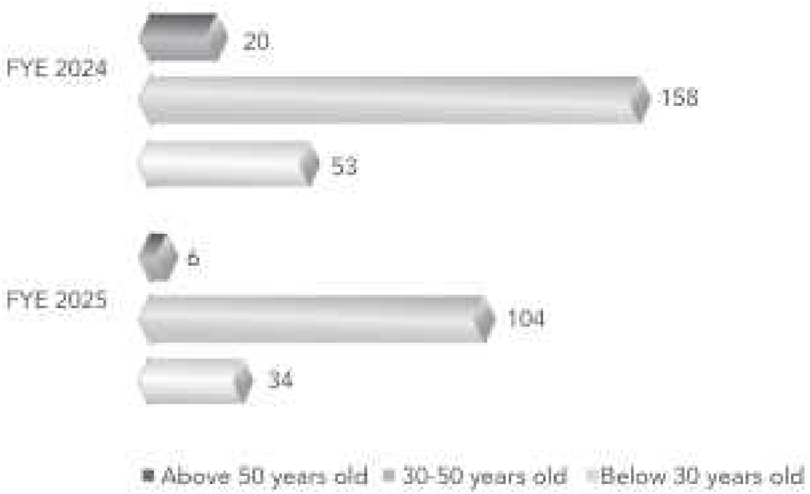


Year	Below 30	30-50	Above 50
FYE 2024	4	24	5
FYE 2025	6	22	5

SUSTAINABILITY STATEMENT
(CONT'D)

Non-Executive

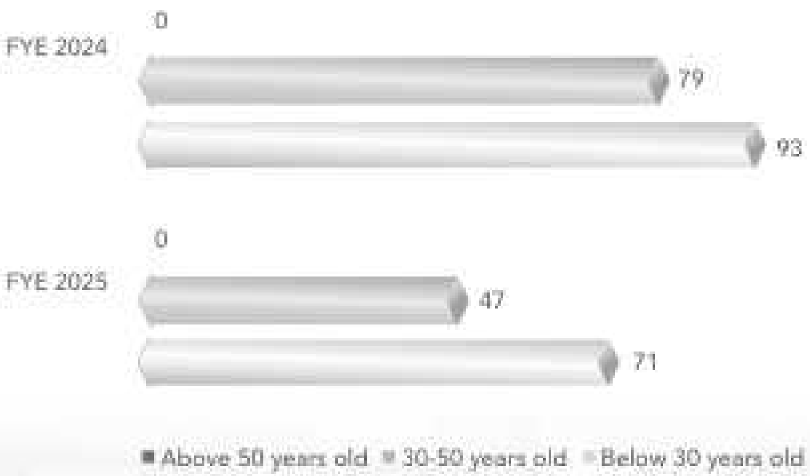
Employee Age Diversity (Non-Executive)



Year	Below 30	30-50	Above 50
FYE 2024	53	158	20
FYE 2025	34	104	6

General Workers

Employee Age Diversity (General Workers)



Year	Below 30	30-50	Above 50
FYE 2024	93	79	0
FYE 2025	71	47	0

SUSTAINABILITY STATEMENT
(CONT'D)

Employee Turnover

In FYE2025, employee turnover was higher than in prior years, primarily within the Non-Executive and General Worker categories. The restructuring formed part of a broader strategic review aimed at aligning manpower requirements with current production capacity, market demand and business sustainability objectives. Following the realignment, the Group remains focused on stabilising operations, strengthening productivity and maintaining a workforce structure that supports long-term business resilience.

Employee Turnover (by Employee Category)

Year	Management	Executive	Non-Executive	General Workers
FYE 2025	1	6	101	68

HUMAN RIGHTS

UNSDGs

This Section aligns with goals:

OUR APPROACH

We recognise that modern sustainability standards have evolved beyond the "green" aspects of forestry to encompass the "blue" aspects of human and labour rights. PEFC ST 2002:2020 requires us to demonstrate a commitment to social, health, and safety requirements based on the International Labour Organisation ("ILO") Declaration on Fundamental Principles and Rights at Work. We have formalised this through our "Environmental, Occupational Health & Safety Policy," which serves as our pledge of ethical conduct toward our workforce.

SUSTAINABILITY STATEMENT
(CONT'D)

Ethical Employment Practices and Safety Culture

Our employment practices are strictly aligned with the Malaysian Employment Act 1955. We maintain a zero-tolerance policy for forced labour and child labour, with all our facility employees confirmed to be over 18 years of age. We apply equal opportunity practices across recruitment, promotion, and dismissal processes, ensuring that our workforce is treated with dignity regardless of background.

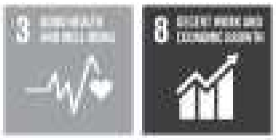
We enforce workplace safety through the mandatory use of PPE and regular training. Furthermore, our internal safety committee meets regularly to address potential hazards.

Social Requirement	MIECO Compliance Status
Child Labour Prevention	Zero cases; all employees verified above 18 years old
Non-Discrimination	Equal opportunity policies implemented in recruitment
Health & Safety	Enforcement of PPE and regular JKKP oversight

OCCUPATIONAL HEALTH AND SAFETY

UNSDGs

This Section aligns with goals:



OUR APPROACH

MIECO recognises that a safe and healthy workplace is fundamental to operational excellence, employee well-being and long-term sustainability. The Group is committed to maintaining a working environment that prioritises occupational safety and health through risk awareness, regulatory compliance and responsible workplace practices.

Our occupational health and safety management system under ISO 45001:2018 is evidenced through HIRARC risk assessments in each department, annual reviews and assessments for wood pellet operations in July 2025, alongside earlier HIRARC dates for functions such as the warehouse, Human Resources and security, scheduled waste store, QC lab, logyard, flaker, dryer/dry area and chipper. In practice, we use PPE such as safety shoes, gloves and ear plugs, maintain signage in dangerous areas, keep first aid kits and fire extinguishers, and use mechanical aids for lifting heavy objects where appropriate. We formed an Emergency Response Team ("ERT") to respond to any incidents occurred in our premises. Our emergency preparedness programme in FYE 2025 included a chemical drill, as well as weekly inspections of hydrants, hose reels, sprinklers, and fire-fighting pump hoses, to ensure a high level of emergency readiness, strengthen response effectiveness, and safeguard the safety of our employees, assets, and the environment.

SUSTAINABILITY STATEMENT
(CONT'D)

Brief Overview of ISO 45001

ISO 45001:2018 is the internationally recognised standard for an OH&S management system. It does not prescribe specific performance criteria, however it provides a robust framework to enable organisations to provide safe and healthy workplaces by preventing work-related injury and ill health, and by proactively improving OH&S performance.

The standard is applicable to any organisation, regardless of size, type or activity, and is founded on the PDCA cycle. Its core clauses establish our strategic approach:

Context of the organisation: Determining internal and external issues, and the needs and expectations of workers and other interested parties, that are relevant to our OH&S responsibilities.

Leadership and worker participation: Demonstrating active commitment from top management, who retain overall accountability for the prevention of work-related injury and ill health. This includes establishing an OH&S policy, assigning roles, and crucially, ensuring consultation and participation of workers at all levels.

Planning: Identifying hazards, assessing OH&S risks and opportunities, determining applicable legal and other requirements, and planning actions to address them. OH&S objectives are established to deliver intended outcomes.

Support: Providing adequate resources, ensuring personnel competence, raising awareness, managing communication, and maintaining documented information.

Operation: Planning and controlling processes to eliminate hazards and reduce OH&S risks using the hierarchy of controls. This includes management of change, procurement, contractor management, and emergency preparedness and response.

Performance evaluation: Monitoring, measuring, analysing and evaluating OH&S performance and compliance with legal and other obligations. This is supported by internal audits and regular management reviews.

Improvement: Addressing incidents, nonconformities and corrective actions, and pursuing continual improvement of both the OH&S management system and OH&S performance.

Through ISO 45001:2018, we embed proactive risk-based thinking and a preventive culture into our operations, moving beyond reactive safety measures. The standard emphasises worker wellbeing, encompassing both physical and psychological health, and requires organisations to take advantage of OH&S opportunities, not merely manage threats. Certification demonstrates our commitment to protecting our people and provides verifiable assurance to regulators, clients, and stakeholders of our due diligence, operational resilience, and dedication to continual improvement.

MIECO runs workplace exposure and medical surveillance programmes. A Chemical Health Risk Assessment was conducted in 2024, followed by chemical exposure monitoring in May 2025, which recorded softwood dust exposure above permissible limits in roles such as flaker cleaner, chipper cleaner and chipper operator, and in the dry area.

Aligned with the UNSDGs, our hazard identification, exposure monitoring, medical surveillance and emergency drills contribute to SDG 3 on good health and well being and SDG 8 on decent work and economic growth by preventing harm, addressing noise related hearing loss and managing dust exposure. Our closure of incidents and engagement with Department of Occupational Safety and Health ("DOSH") through formal notices and replies demonstrate institutions and processes that support SDG 16 focus on effective and accountable institutions. These linkages are drawn directly from our audit evidence of programmes, incidents and controls.

SUSTAINABILITY STATEMENT
(CONT'D)

OUR PERFORMANCE

MIECO monitors key safety performance indicators to track and manage workplace incidents. The LTIR remained consistent at 1.78 in both FYE 2024 and FYE 2025, while no fatalities were reported during these periods. This reflects the Group's ongoing monitoring and management of workplace safety across its operations.

Year	LTIR	Fatalities
FYE 2024	1.78	0
FYE 2025	1.78	0

MIECO conducts regular training sessions and safety events to enhance employees' safety awareness and response capabilities. In FYE 2025, a total of 268 safety training hours were recorded, with 67 employees trained in areas such as chemical handling, safety awareness for foreign workers, and hearing conservation. In comparison, FYE 2024 saw 31 employees trained, with 178 safety training hours recorded. The Group also provides a broader range of programmes aimed at developing employee skills, safety knowledge, and operational awareness, supporting staff in performing their roles safely and in compliance with regulatory requirements.

Year	Total Number of Safety Training Hours	Number of Employees Trained
FYE 2024	178	31
FYE 2025	268	67

SUSTAINABILITY STATEMENT
(CONT'D)

COMMUNITY ENGAGEMENT

OUR APPROACH

MIECO actively engages with local communities and stakeholders, aiming to contribute positively to society and support community well-being. The Group focuses on initiatives that address community needs, including health, youth development and environmental awareness, while fostering meaningful and long-term stakeholder relationships.

OUR PERFORMANCE

In FYE 2025, MIECO undertook several community initiatives across different areas. The Group organised a blood donation campaign, benefiting 45 individuals, and supported local school sports days through the donation of items such as used black oil barrels. This initiative benefited 12 recipients and contributed to recycling efforts through the reuse of materials.

In addition, MIECO supported community development through financial donations and sponsorships. The Group contributed a total of RM10,000 during the year, comprising a RM5,000 donation to St. John Ambulance Malaysia, as well as two separate sponsorships of RM2,500 each to *Persatuan Hokkien Cheras Bahagian Belia*. These sponsorships supported youth programmes, namely the 2025 Cheras Hokkien Youth Cup Under 17 Boys held in mid of March 2025 and the Youth Under 12 Cup in November 2025.

All contributions and activities were supported by proper documentation and records to ensure transparency and accountability. Through these initiatives, MIECO continues to contribute to social development and strengthen its role as a responsible corporate citizen.

EMPLOYEE ENGAGEMENT

MIECO allocates social contribution funds to support employee engagement activities. In FYE 2025, financial assistance totalling RM7,950 was provided to support the education of employees' children.

SUSTAINABILITY STATEMENT
(CONT'D)

During the year, the Group also organised several engagement activities to strengthen camaraderie and promote work-life balance, including:

- Fishing Competition

  MIECO organised a fishing competition during the year. The activity provided employees with an opportunity to unwind, interact and build stronger relationships in an informal outdoor setting. Prizes were awarded to winners, adding a sense of friendly competition and encouraging active participation among employees.


- Bowling Event

  As part of its employee engagement initiatives, MIECO organised a bowling event in July 2025, providing an opportunity for employees to interact in a relaxed and informal setting. The event aimed to strengthen teamwork and promote a positive workplace culture beyond day-to-day operations. Through activities such as this, MIECO encourages employee participation and collaboration, supporting overall well-being and reinforcing strong working relationships across the organisation.

SUSTAINABILITY STATEMENT
(CONT'D)

- Hari Raya Celebration

  MIECO organised a Hari Raya celebration during the year, bringing employees together to celebrate the festive occasion. The event featured a buffet feast, providing an opportunity for employees to enjoy a shared meal and strengthen relationships in a warm and inclusive environment. Such celebrations promote cultural appreciation, employee engagement and a sense of belonging, contributing to a positive and harmonious workplace culture.

- *Zakat Fitrah* Counters

  MIECO established *Zakat Fitrah* counters to facilitate charitable contributions during *Ramadan*. These initiatives reflect MIECO's continued efforts to cultivate an inclusive and supportive working environment.

SUSTAINABILITY STATEMENT
(CONT'D)

TRAINING & STAFF DEVELOPMENT

UNSDGs

This Section aligns with goals:

OUR APPROACH

The Group provides training and development opportunities to support employees in performing their roles effectively and to meet operational, safety and regulatory requirements. Training is guided by business needs and focuses on enhancing job-related skills, operational efficiency, workplace safety and compliance awareness.

Training programmes are delivered through a combination of internal briefings, on-the-job training and external courses, where appropriate. The scope and frequency of training vary depending on job functions, regulatory requirements and operational priorities.

The Group also recognises the importance of building internal awareness and capabilities to support effective sustainability and compliance practices. EESG-related training is provided on a need basis to selected employees, focusing on EESG fundamentals, climate-related matters and sustainability data management relevant to the Group's operations.

We run recruitment, induction and competence development through an established recruitment and selection flow, personnel requisitions, authorisations to hire, offer letters, induction for new employees and practical students, on the job training checklists and job descriptions. Training under our competence and awareness procedure included a tailored Epicor Enterprise Resource Planning system course and a Hearing Conservation Administrator course. We supported these with Training Needs Analysis, requisitions, attendance, evaluations, certificates and service requests where applicable. We also communicate the environment and safety requirements to our suppliers.

TRAINING PROGRAMMES

During the reporting period, the following training programmes were conducted and/or attended by the Group, encompassing participants from Board members to non-executive employees:

- Hearing Conservation Administrator ("HCA")
- Registered Energy Manager ("REM")
- Tailored EPICOR ERP Systems Training
- *Seminar Keberkesanan Pengurusan Projek EIA*
- ESG & TCFD Masterclass: Introduction to ESG
- ESG & TCFD Masterclass: TCFD Scenario Analysis
- Mastering ESG Data Collection
- Corporate Tea Talk: MBRS 2.0
- MBRS 2.0 for Preparers – Financial Statements
- Corporate Tea Talk: Perkhidmatan SSM E-Advertisement
- Effective Board Governance: Principles and Practices for High-Performing Boards
- E-Invoice- Implementation In Malaysia and Navigating In Myinvois Portal
- The Directors' and Company Secretaries' Guide to Anti-Money Laundering Reporting Obligations
- Section 17A Malaysian anti-corruption commission Act 2009 & Adequate Procedures

These initiatives, together with governance and regulatory training undertaken by the Board of Directors during FYE 2025, support the Group's continuous efforts to enhance competencies, strengthen regulatory compliance, and build internal capabilities in sustainability and governance-related matters.

SUSTAINABILITY STATEMENT
(CONT'D)

OUR PERFORMANCE

Total Training Hours by Employee Category

In FYE 2025, a total of 834 training hours were recorded, comprising management (146 hours), executives (444 hours), and non-executive employees (244 hours). No training participation was recorded for general workers during the reporting period. Training activities were primarily focused on operational, regulatory, safety and EESG-related competencies relevant to the Group's business needs.

Year	Management	Executive	Non-Executive	General Worker
FYE 2024	132	400	272	0
FYE 2025	146	444	244	0

MOVING FORWARD

MIECO will continue strengthening its EESG management approach with a focus on resilience, operational stability and long-term value creation. In the near term, the Group will prioritise reinforcing governance structures, risk management processes and cost discipline to navigate evolving market conditions and industry challenges.

Over the longer term, MIECO aims to enhance operational efficiency, strengthen responsible sourcing practices and improve environmental performance across its manufacturing activities. The Group will continue optimise resource use and improve product quality to remain competitive in a changing regulatory and customer landscape.

By embedding EESG considerations into business strategy and day-to-day operations, MIECO seeks to balance financial sustainability with environmental stewardship, social responsibility and sound governance, positioning the Group for steady and responsible growth in the years ahead.

Restatement

The following data will be restated due to the improvement in our data collection process:

1. Scope 2 Emissions – FYE 2024
2. Scope 3.4: Upstream Transportation and Distribution (Road) – FYE 2024
3. Scope 3.7: Employee Commuting – FYE 2024

SUSTAINABILITY STATEMENT
(CONT'D)

MIECO CHIPBOARD BERHAD
BMLR Transition Period

Date & Time: 2026-04-17 18:23:08
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Climate Management and Energy Management	Scope 1 Emission	tCO_2e	4800.67	-	No assurance
Climate Management and Energy Management	Scope 2 Emission	tCO_2e	31391.03	-	No assurance
Climate Management and Energy Management	Total Energy Consumption	MWh	4042288	-	No assurance
Water and Effluent Management	Water usage	m^3	177369	-	No assurance
Responsible Procurement	Percentage spent on local suppliers	Percentage	93	-	No assurance
Diversity, Equity and Inclusion	Management - below 30 years old	Number	0	-	No assurance
Diversity, Equity and Inclusion	Management - 30 - 50 years old	Number	4	-	No assurance
Diversity, Equity and Inclusion	Management - above 50 years old	Number	6	-	No assurance
Diversity, Equity and Inclusion	Executive - below 30 years old	Number	6	-	No assurance
Diversity, Equity and Inclusion	Executive - 30 - 50 years old	Number	22	-	No assurance
Diversity, Equity and Inclusion	Executive - above 50 years old	Number	5	-	No assurance
Diversity, Equity and Inclusion	Non- Executive - below 30 years old	Number	34	-	No assurance
Diversity, Equity and Inclusion	Non- Executive - 30 - 50 years old	Number	104	-	No assurance
Diversity, Equity and Inclusion	Non-Executive - above 50 years old	Number	6	-	No assurance
Diversity, Equity and Inclusion	General Workers - below 30 years old	Number	71	-	No assurance
Diversity, Equity and Inclusion	General Workers - 30 - 50 years old	Number	47	-	No assurance
Diversity, Equity and Inclusion	General Workers - above 50 years old	Number	0	-	No assurance

SUSTAINABILITY STATEMENT
(CONT'D)

MIECO CHIPBOARD BERHAD
BMLR Transition Period

Date & Time: 2026-04-17 18:23:08
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity, Equity and Inclusion	Management - Male	Number	5	-	No Assurance
Diversity, Equity and Inclusion	Management - Female	Number	5	-	No Assurance
Diversity, Equity and Inclusion	Executive - Male	Number	17	-	No Assurance
Diversity, Equity and Inclusion	Executive- Female	Number	18	-	No Assurance
Diversity, Equity and Inclusion	Non-Executive - Male	Number	134	-	No Assurance
Diversity, Equity and Inclusion	Non-Executive - Female	Number	20	-	No Assurance
Diversity, Equity and Inclusion	General Workers - Male	Number	118	-	No Assurance
Diversity, Equity and Inclusion	General Workers - Female	Number	0	-	No Assurance
Diversity, Equity and Inclusion	Board of Director - Male	Percentage	83.3	-	No Assurance
Diversity, Equity and Inclusion	Board of Director - Female	Percentage	16.7	-	No Assurance
Diversity, Equity and Inclusion	Board of Director- below 30 years old	Percentage	0	-	No Assurance
Diversity, Equity and Inclusion	Board of Director - 30 - 50 years old	Percentage	16.7	-	No Assurance
Diversity, Equity and Inclusion	Board of Director - above 50 years old	Percentage	83.3	-	No Assurance
Training and Staff Development	Management- Total training hours	Hours	146	-	No Assurance
Training and Staff Development	Executive- Total training hours	Hours	484	-	No Assurance
Training and Staff Development	Non-Executive - Average training hours	Hours	244	-	No Assurance
Training and Staff Development	General Workers - Average training hours	Hours	0	-	No Assurance

SUSTAINABILITY STATEMENT
(CONT'D)

MIECO CHIPBOARD BERHAD
BMLR Transition Period

Date & Time: 2026-04-17 18:23:08
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity, Equity and Inclusion	Management - Total number of employee turnover	Numbers	1	-	[illegible]
Diversity, Equity and Inclusion	Executive - Total number of employee turnover	Numbers	6	-	[illegible]
Diversity, Equity and Inclusion	Non-executive - Total number of employee turnover	Numbers	101	-	[illegible]
Diversity, Equity and Inclusion	General Workers - Total number of employee turnover	Numbers	68	-	[illegible]
Human Rights	Number of substantiated complaints concerning human rights violations	Numbers	0	-	[illegible]
Occupational Health and Safety	Number of work-related fatalities	Numbers	0	-	[illegible]
Occupational Health and Safety	Lost Time Incident Rate	Rate	1.78	-	[illegible]
Occupational Health and Safety	Number of employees trained on health and safety	Number	87	-	[illegible]
Anti-Corruption and Compliance	Confirmed incidents of corruption and action taken	Number	0	-	[illegible]
Anti-Corruption and Compliance	Percentage of Management who have received training on anti-corruption	Percentage	100	-	[illegible]
Anti-Corruption and Compliance	Percentage of Executive who have received training on anti-corruption	Percentage	100	-	[illegible]
Anti-Corruption and Compliance	Percentage of Non-Executive who have received training on anti-corruption	Percentage	0	-	[illegible]
Anti-Corruption and Compliance	Percentage of General Workers who have received training on anti-corruption	Percentage	0	-	[illegible]

SUSTAINABILITY STATEMENT
(CONT'D)

MIECO CHIPBOARD BERHAD
BMLR Transition Period

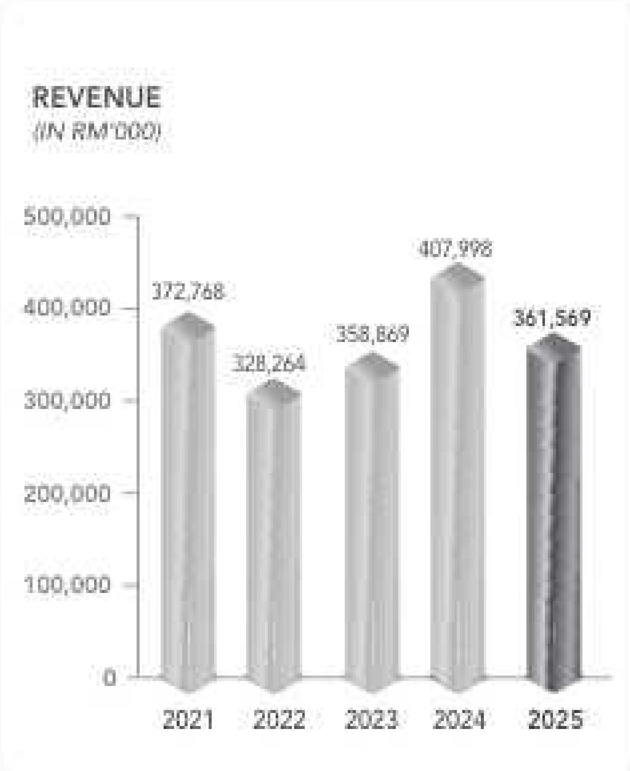
Date & Time: 2026-04-17 18:23:08
FYE 31/12/2025

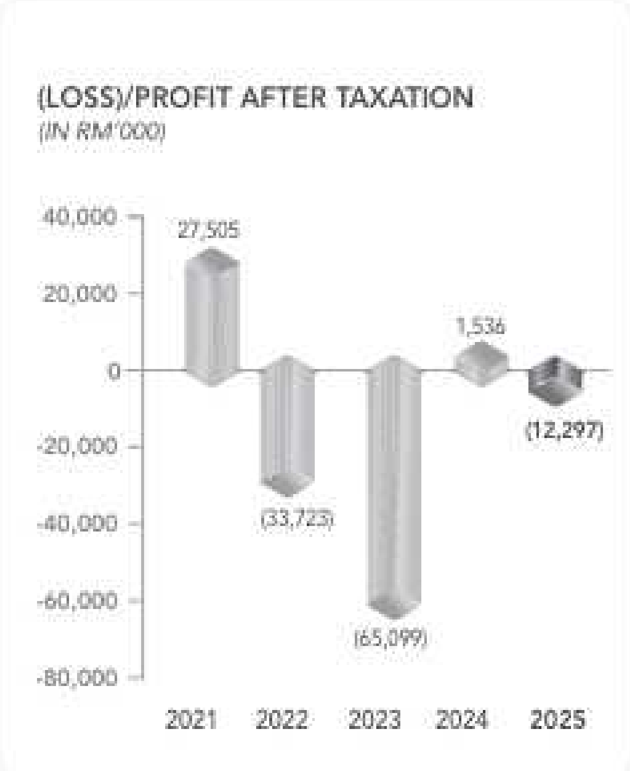
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-Corruption and Compliance	Percentage of operations assessed for corruption-related risks	Percentage	0	-	No Assurance
Diversity, Equity and Inclusion	Total amount invested in the community	Ringgit Malaysia	10000	-	No Assurance
Diversity, Equity and Inclusion	Total number of beneficiaries of the investment in communities	Number	59	-	No Assurance

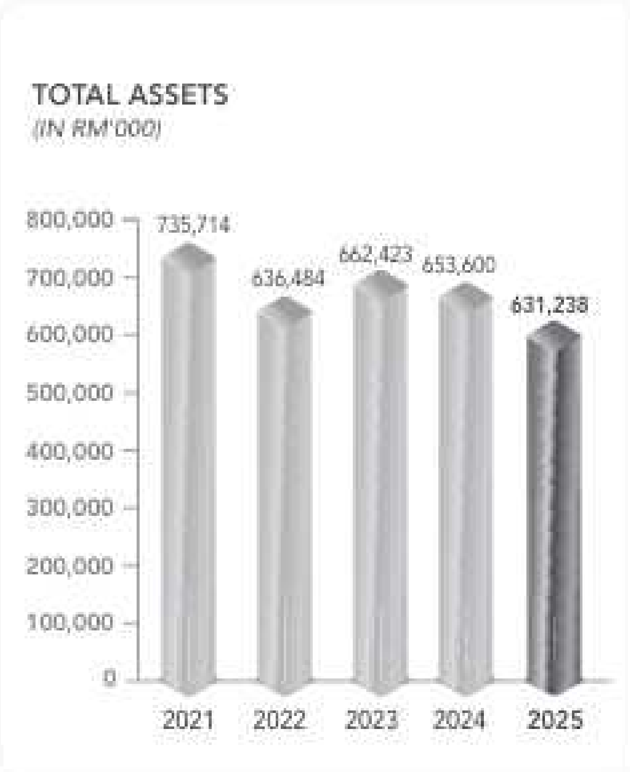
FINANCIAL HIGHLIGHTS
FINANCIAL STATISTICS 2021-2025

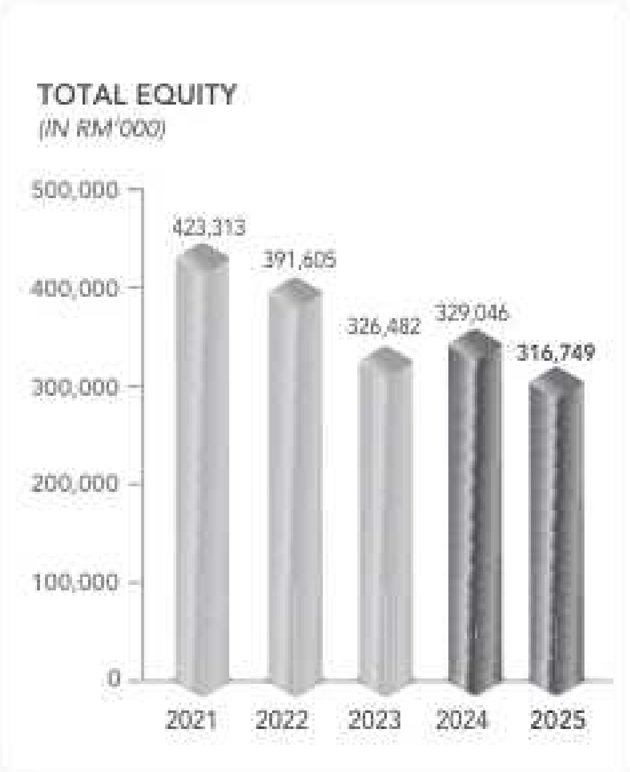
	2025 RM'000	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	232,678	273,900	300,140	296,003	330,017
Right-of-use assets	100,871	102,679	113,790	149,516	141,019
Investment properties	25,000	18,450	25,405	17,000	17,000
Intangible assets	1,835	1,877	1,919	-	-
Biological assets	20,310	17,072	11,325	-	-
Goodwill	27	27	-	-	-
Other financial assets	1,575	1,563	725	-	-
Deferred tax assets	4,986	4,986	4,986	7,034	9,873
	387,282	420,554	458,290	469,553	497,909
Current assets	164,132	164,640	161,679	166,931	237,805
Assets classified as held for sale	79,824	68,406	42,454	-	-
TOTAL ASSETS	631,238	653,600	662,423	636,484	735,714
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	276,666	276,666	276,666	276,666	276,666
Reserves	40,083	52,380	49,816	114,939	146,647
Total equity	316,749	329,046	326,482	391,605	423,313
Non-current liabilities	71,949	97,254	139,630	83,244	100,071
Current liabilities	242,540	227,300	196,311	161,635	212,330
Total liabilities	314,489	324,554	335,941	244,879	312,401
TOTAL EQUITY AND LIABILITIES	631,238	653,600	662,423	636,484	735,714
GROUP RESULTS					
Revenue	361,569	407,998	358,869	328,264	372,768
(Loss)/Profit before taxation	(11,654)	2,908	(62,634)	(30,480)	22,975
Tax (expense)/credit	(643)	(1,372)	(2,465)	(3,243)	4,530
(Loss)/Profit after taxation	(12,297)	1,536	(65,099)	(33,723)	27,505
Dividend paid	-	-	-	-	-
SELECTED RATIOS *					
Basic (loss)/earnings per share (sen)	(1.23)	0.15	(6.51)	(3.37) *	3.26
Proposed dividend per share (sen)	-	-	-	-	-
Net assets per share (RM)	0.32	0.33	0.33	0.39 *	0.42

FINANCIAL HIGHLIGHTS (CONT'D)
FINANCIAL STATISTICS 2021-2025

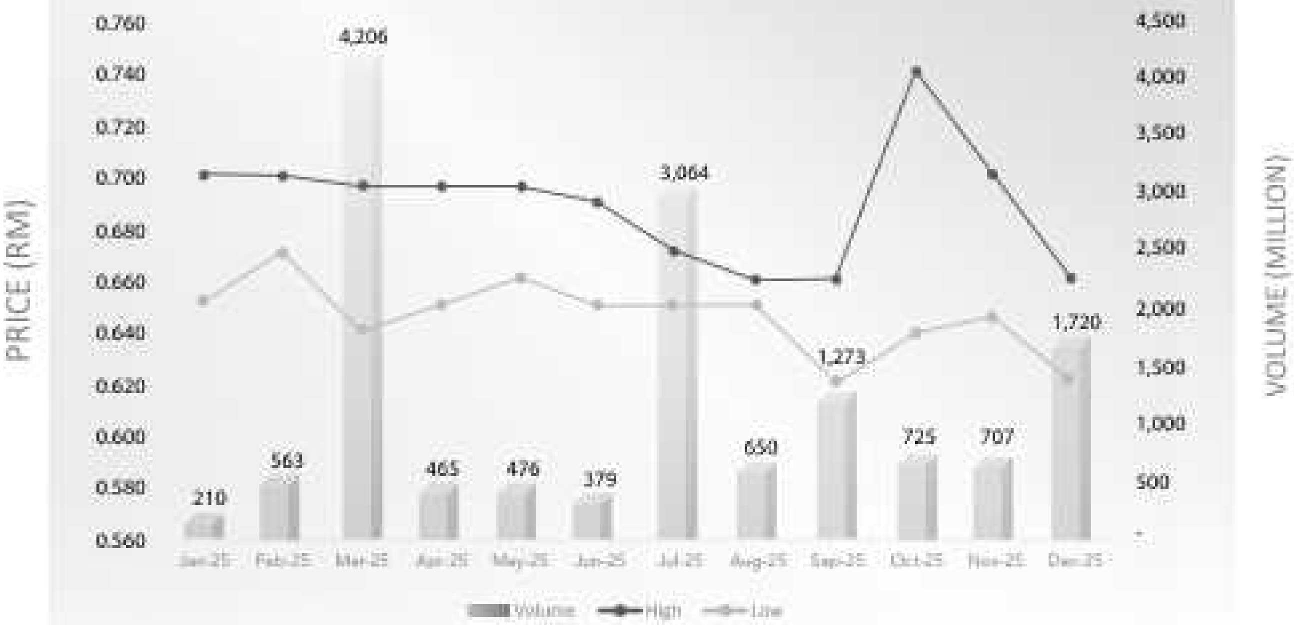








SHARE PERFORMANCE



(Source : Bursa Malaysia Securities Berhad)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of MIECO (the "Board") acknowledges the importance of corporate governance and is dedicated to maintain an appropriate and sound system of good corporate governance within the Group. MIECO's corporate governance practices are consistent with the principles and best practices recommended in the latest Malaysian Code on Corporate Governance 2021 (the "MCCG") and other applicable laws, regulations and guidelines with the fundamental objective of enhancing the financial performance of the Group and enhancing shareholders' value as well as the interests of stakeholders.

The Board is pleased to outline the below application of the principles and recommendations by the Group set out in the MCCG during the financial year under review. This statement is to be read together with the Corporate Governance Report of the Company which is available on the Company's website at www.mieco.com.my

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

Part I - Board Responsibilities

Functions of the Board and Management

The Board is collectively responsible for the management and governance of the Group. The Board sets strategic objectives, formulates policies and oversees the investments and operations of the Group, taking sustainability into consideration.

The Board assumes the following principal roles and responsibilities:

- formulating the business direction and objectives of the Group;
- reviewing, adopting and approving the Group's strategic plans including sustainability strategies, priorities and targets, key operational initiatives, major investments and funding decisions;
- overseeing the conduct of business of the Group;
- reviewing the risk management process which includes sustainability risks and opportunities within the Group;
- reviewing and approving the Company's financial statements and ensuring the integrity of the Company's financial and non-financial reporting;
- assuming responsibility in succession planning within the Group; and
- reviewing and ensuring the adequacy and effectiveness of management information and internal control systems to ensure compliance with applicable standards, laws and regulations.

Certain functions of the Board have been delegated to the Audit Committee ("AC") and Nomination & Remuneration Committee ("NRC") to assist in the execution of its duties and responsibilities. These committees operate under clearly defined terms of reference and have authority to review certain issues. The Chairman of the respective committees will report to the Board on the key issues deliberated and outcome of the committees' meetings.

Management is accountable for the execution of the formulated policies and achievement of the Group's corporate objectives. The demarcation complements and reinforces the supervisory role of the Board.

All the Directors hold not more than five directorships in public listed companies as they are expected to give sufficient time and attention to carry out their responsibilities. Under the Board Charter, a Director is required to notify the Chairman before accepting any new directorship in any other listed company and the notification shall explain the expectation and an indication of the time commitment that will be spent on the new appointment.

The Directors have demonstrated their ability to devote sufficient time and commitment to their roles and responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

Board meetings

The Board has met five times during the financial year ended 31 December 2025 ("FY2025") and had other ad-hoc discussions/informal meetings to discuss strategic and policy matters.

All Directors have attended all the Board meetings held during FY2025 and have complied with the attendance requirement for Board meetings as stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR").

Details of Directors' attendance at Board and Board Committee meetings during FY2025 are summarised as follows:

Name of Directors	Attendance of Meetings		
	Board	AC	NRC
Datuk Dr. Roslan Bin A. Ghaffar *Independent Non-Executive Chairman*	5/5	N/A[1]	N/A[1]
Dato' Sri Ng Ah Chai *Group Managing Director*	5/5	N/A[1]	N/A[1]
Mr. Ng Wei Ping, Keith *Executive Director*	5/5	5/5	N/A[1]
Mr. Cheam Tow Yong *Independent Non-Executive Director*	5/5	5/5	1/1
Mr. Kajendra A/L Pathmanathan *Independent Non-Executive Director*	5/5	5/5	1/1
Madam Tan Poh Cheok *Independent Non-Executive Director*	5/5	5/5	1/1

Note:
[1] N/A – Not Applicable

All the Directors complied with the minimum 50% attendance requirement in respect of Board meetings held during FY2025 as stipulated under Paragraph 15.05 of the MMLR.

Additionally, in between Board meetings, the Directors also approved various matters requiring the sanction of the Board by way of circular resolutions.

Position of Chairman and Executive Directors

The Chairman leads the Board, ensuring the effective running of the Board while, the Executive Directors are responsible for implementing the policies and decisions of the Board, overseeing the operations of the Group as well as coordinating the development and implementation of business and corporate strategies.

The roles of Chairman and Executive Directors are held by different individuals. This division of roles between the Chairman and the Executive Directors is clearly defined in the Board Charter to ensure that there is an appropriate balance of responsibilities and accountability.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Qualified Company Secretary

The Board is supported by a licensed Company Secretary. The Company Secretary constantly advises the Board to ensure that the Group's policies and procedures are in compliance with the relevant legislation and regulations.

The Company Secretary coordinates and attends all Board and Board Committee meetings to ensure that all key issues are discussed and the decisions made are recorded accurately. The Company Secretary also works closely with the management to ensure timely flow of information to the Board.

On an ongoing basis, the Directors have separate and independent access to the Company Secretary.

The Company Secretary stays updated with the changes in the relevant legislation and regulations and constantly attends the necessary training and development programmes in order to carry out her duties effectively.

Board Meeting Materials and Access to Information

The Directors are given adequate notice of Board meetings. The Board papers together with the agenda are circulated via emails or physical copies at least 7 days prior to the scheduled board meetings for the Directors to read the Board papers and seek any clarification that they may need from management or to consult the Company Secretary or independent advisers, before the Board meetings, if necessary. This enables the Directors to duly discharge their duties and ensure that deliberations at the meeting are focused and constructive.

Senior management staff are invited to attend Board meetings to report on matters relating to their respective areas of responsibility and also to provide details or clarification on issues that may be raised by any Director.

Minutes of meetings are recorded by the Company Secretary and circulated to Directors to ensure the minutes exactly represent the discussions and decisions of the Board.

All Directors have full and unrestricted access to senior management for advice and information, and support services of the Company Secretary in ensuring the effective functioning of the Board. The Directors may also seek independent professional advice in the furtherance of their duties at the Company's expense, if required and with reasonable fees.

Demarcation of Responsibilities and Business Conduct

The Board has adopted a Board Charter which sets out the principal roles and responsibilities of the Board and Board Committees and also the matters reserved for the Board.

The Board recognises the importance of having a good ethical corporate culture that promotes the values of transparency, integrity, accountability and social responsibility. The Board has adopted a Code of Conduct and Ethics for the Directors and employees that sets out the principles and standards of business ethics and conduct of the Group.

The Group has also put in place a Whistleblowing Policy which enables all stakeholders to seek guidance and express concerns on the reporting of suspected and/or known misconduct, wrongdoings, corruption and instances of fraud, waste and/or abuse involving resources of the Group.

Our Group observes a zero-tolerance position against all forms of bribery and corruption, and is committed to conducting all its business dealings with the highest standards of ethics and integrity, avoiding practices of bribery and corruption of all forms in its daily operations. The Board expects the same commitment from the staff, business associates and any third parties that the Group has dealings with.

In line with the Guidelines on Adequate Procedures pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Company has adopted an Anti-Bribery and Anti-Corruption Policy and Procedure.

The Board had also adopted the Directors' Fit and Proper Policy which is in line with the rule of the MMLR to ensure a formal, rigorous and transparent process for the appointment and re-election of directors of the Group.

A copy of the Board Charter, Code of Conduct and Ethics, Whistleblowing Policy, Anti-Bribery and Anti-Corruption Policy and Procedure, and Directors' Fit and Proper Policy are available on the Company's website at www.mieco.com.my.

The Board is mindful of the importance of business sustainability and, in developing the corporate strategy of the Group, its impact on the economic, environmental, social and governance aspects is taken into consideration and sustainability risks and opportunities are addressed. The Sustainability Statement of the Group for FY2025 are disclosed on pages 15 to 67 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PART II - BOARD COMPOSITION

Board Composition

As at 31 December 2025, the Board has six members, comprising one Independent Non-Executive Chairman, one Group Managing Director, one Executive Director, and three Independent Non-Executive Directors, and none of them are active politicians. The Company is in compliance with the MMLR which stipulates that at least one third of the Board members must be independent and at least one woman director is on the Board.

The Board is aware that the tenure of an Independent Non-Executive Director should not exceed a cumulative term of nine (9) years as recommended by the MCCG. The Board Charter includes the limitation of the Independent Non-Executive Director's tenure to nine (9) years. Upon completion of the nine (9) years, the Independent Non-Executive Director concerned may:

(i) continue to serve on the Board if deemed appropriate and suitable by the Board, subject to him/her being re-designated as Non-Independent Director; or

(ii) remain as an Independent Non-Executive Director if deemed appropriate and suitable by the Board, subject to the shareholders' approval via two-tier voting process. The Board must provide justification for the decision.

Mr. Cheam Tow Yong ("Mr. Cheam"), the Independent Non-Executive Director of the Company, has served on the Board for a cumulative term of more than nine (9) years since his appointment on 15 November 2016. In line with the recommendations of the MCCG, Mr. Cheam has indicated that he will not be seeking re-election at the forthcoming 53rd AGM. Accordingly, he will retire as a Director of the Company at the conclusion of the 53rd AGM, marking the end of his distinguished tenure with the Company.

As at the date of this Annual Report, save for Mr. Cheam, none of the Independent Non-Executive Directors of the Company has served a cumulative term exceeding nine (9) years.

Diversity in Board and Senior Management

The Company does not set a specific target on the composition of the Board and management in terms of gender, age or ethnicity as it adheres to the practice of non-discrimination of any form throughout the Company. The Company provides equal opportunity to candidates with merits and believes it is vital to recruit and retain the best available talent regardless of gender, ethnicity or age. The Board shall endeavour to achieve greater diversity as and when the opportunity arises. Notwithstanding the recommendation of the MCCG, the Board is presently of the view that there is no necessity to fix a specific gender diversity policy in view of the Company's commitment to ensuring that all Directors are appointed on merit and is in line with the standards as set out in Para 2.20A of the MMLR.

The composition of the Board represents a balanced mix of experienced professionals in the fields of business, finance, law enforcement and general management. Together, the Directors bring a wide range of expertise and skills necessary for the continued successful direction of the Group. A brief profile of each Director is set out on pages 4 to 8 of this Annual Report.

Nomination & Remuneration Committee ("NRC")

The Board has applied the best practices of the MCCG by setting up a NRC comprising exclusively three (3) Independent Non-Executive Directors. The NRC assists the Board in ensuring that the Board comprises individuals with the necessary skills, knowledge and experience for the effective discharge of its responsibilities, and in matters relating to the remuneration of the Board and senior management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

As at 31 December 2025, the NRC consists of the following members:
- Mr. Kajendra A/L Pathmanathan (Chairman / Independent Non-Executive Director)
- Mr. Cheam Tow Yong (Member / Independent Non-Executive Director)
- Madam Tan Poh Cheok (Member / Independent Non-Executive Director)

The NRC meets as and when deemed necessary. The terms of reference of the NRC can be viewed at the Company's website at www.mieco.com.my.

The NRC is primarily responsible for the following:

(a) to oversee and review the structure, size and composition of the Board in terms of required mix of skills, experience, knowledge, diversity, independence and core competencies;
(b) to consider, evaluate and recommend suitable candidates for appointment to the Board;
(c) to assess the performance and effectiveness of the Board, Board committees, and the contributions of each Director and Committee member towards the effectiveness of Board and Board committees respectively. The assessment includes assessment of independence for the Independent Directors;
(d) to recommend retiring Director(s) for re-election at the Annual General Meeting ("AGM"); and
(e) to review and recommend to the Board the remuneration packages/policy as well as fee and allowances for the Directors and senior management.

During the financial year under review, the activities carried out by the NRC were as follows:

- reviewed the structure, size and composition of the Board in terms of the appropriate mix of skills, experience, knowledge, diversity, core competencies and board balance;
- assessed the Board's performance and effectiveness as a whole;
- assessed the Board Committees' performance and effectiveness as a whole;
- assessed the performance of each individual Director and Board Committee member;
- assessed the performance and independence of its Independent Directors;
- reviewed the tenure and performance of each Director and recommended to the Board, the re-election and re-appointment of the Directors who would be retiring at the forthcoming AGM of the Company; and
- reviewed and recommended the Non-Executive Directors' fees and benefits to the Board subject to approval by shareholders at the AGM.

Re-Election Of Directors

In accordance with the Company's Constitution (the "Constitution"), Clause 103 provides that one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at each AGM, provided always that all Directors shall retire at least once in every three (3) years, and shall be eligible for re-election. Clause 110 of the Constitution further provides that any Director appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office only until the next AGM and shall then be eligible for election by shareholders.

The re-election of Directors at the AGM is subject to prior assessment by the NRC, taking into consideration the Fit and Proper Policy as well as the results of the annual performance assessment for FY2025, which was conducted in February 2026.

For the forthcoming AGM, the following Directors will be retiring and, being eligible, have offered themselves for re-election:

- Datuk Dr. Roslan Bin A. Ghaffar (pursuant to Clause 103 of the Constitution)
- Dato' Sri Ng Ah Chai (pursuant to Clause 103 of the Constitution)
- Datuk Chua Hock Gee[1] (pursuant to Clause 110 of the Constitution)

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The NRC and Board, save for the retiring Directors, collectively agreed that the retiring Directors had met the qualification of Directors vis-à-vis character, experience, integrity, competence and time commitment as prescribed in Chapter 2.20A of the MMLR, and had the relevant qualities to effectively discharge their respective roles as Directors. As part of the annual performance assessment/election process as new board member (as the case may be), the retiring Directors had also undertaken and satisfied the fit and proper assessment pursuant to the Fit & Proper Policy adopted, via self declaration and peer assessment. Datuk Dr. Roslan Bin A. Ghaffar, being the Independent Non Executive Chairman and Datuk Chua Hock Gee, being the Independent Non Executive Director, had also met the independence criteria as defined in the MMLR and remained independent in exercising their judgement and in carrying out their duties as an Independent Director.

Based on the results of the annual performance assessment/election process as new board member (as the case may be), the NRC and the Board have affirmed and recommended the re-election of the retiring Directors to the shareholders of the Company for approval at the 53rd AGM based on the justifications as set out in Explanatory Note (d) in the Notice of the 53rd AGM.

Note:
[1] Appointed as director on 31 March 2026.

Directors' Training

The Board is aware that continuous training is important in keeping the Directors updated and informed on the changes and developments of the operating environment, latest sustainability issues related to the Company and the corporate regulatory framework.

All the Directors have attended and completed the Mandatory Accreditation Programme (MAP) and MAP Part II. In addition to that, the Directors are briefed and updated at the quarterly meetings by the External Auditors, Internal Auditors and/or the Company Secretary on relevant amendments to the MMLR, corporate governance practices and principles, risk management and internal control approaches, Malaysian Financial Reporting Standards as well as auditing requirements. The Directors also gained insights to the market development through constructive and active deliberations at the Board meetings.

The Directors, on their own efforts, continue to equip themselves with latest knowledge and updates on the business, social, and economic environment via trade fairs, industrial periodicals, professional journals and attending the following:

- The Directors' and Company Secretaries' Guide to Anti-Money Laundering Reporting Obligations
- ESG and TCFD Master Class : Frameworks and Strategies for Guiding Sustainability: Introduction ESG and TCFD and ESG Metrics and Reporting
- ESG and TCFD Master Class : Frameworks and Strategies for Guiding Sustainability: TCFD Framework and Recommendation and GRI Indicators and Performance Measure
- The Effective Board Governance: Principles and Practices for High-Performing Board
- E-Invoice-Implementation In Malaysia and Navigating In Myinvois Portal
- Section 17A Malaysian Anti-Corruption Commission Act 2009 & Adequate Procedures

The Board via the NRC and with assistance of the Company Secretary, will continue to evaluate and determine the training needs of the Directors to build their knowledge so that they can be up-to-date with the development of the Group's business and industry that may affect their roles and responsibilities.

Board and Board Committees Assessment

The NRC has a formal assessment in place to assess the effectiveness of the Board and Board Committees as a whole, and the contribution of each individual Director and Board Committee member annually. The assessment of the Board is based on specific criteria covering areas such as board structure, board operations, board roles and responsibilities and board chairman's roles and responsibilities. Whereas the assessment criteria for the Board Committee are based on its quality and composition, skills and competencies and the meeting administration and proceeding. For individual Director and Board Committee members' assessment, criteria covering contribution to interaction, quality of input, understanding of role and the chairman's role are used.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

From the evaluations conducted by the NRC for the financial year under review, the Board was satisfied with the performance and effectiveness of the Board as a whole, the Board Committees as well as the performance and contribution of each individual Director and Committee member. The Board was of also of the view that the present size and composition is optimal based on the Group's operations and that it reflects a fair mix of financial, technical and business experiences that are important to the stewardship of the Group.

Assessment of Independent Directors

In order to ensure there is adequate check and balance at the Board level, the presence of the Independent Directors helps in providing independent and constructive views, advice and opinions to the benefits of the investors, customers, and other stakeholders. They also represent the element of objectivity, impartiality and independent judgement of the Board.

An independence assessment is performed on the Independent Directors prior to their appointments and annually thereafter. In this respect, the NRC, on behalf of the Board assesses the performance and also independence of its Independent Directors based on the criteria set out in the MMLR.

PART III - REMUNERATION

Remuneration Policies and Procedures

In determining the remuneration of the Directors and senior management, the Company's objective is to provide fair and competitive remuneration to its Board and senior management in order for the Company to benefit by attracting and retaining a high-quality team.

The NRC is responsible in formulating and reviewing the policy framework and making recommendation to the Board on the annual remuneration packages and benefits extended to the executive members of the Board, considering the performance of each individual as well as corporate performance. As for the Non-Executive Directors, the determination of their remuneration and benefits are linked to their level of responsibilities undertaken and contributions to the effective functioning of the Board.

Fees payable to Non-Executive Directors are deliberated and recommended by the NRC for the Board's endorsement before being presented for approval by shareholders at the AGM. Directors who are also shareholders and controlling shareholders with a nominee or connected Director of the Company abstain from voting at the AGM to approve their own fees. Similarly, Executive Directors are not involved in deciding their own remuneration.

The Directors also have the benefit of Directors & Officers liability insurance in respect of any liabilities arising from their acts committed in their capacities as Directors and Officers of the Company. However, the said insurance policy does not indemnify a Director or Officer if he is proven to have acted fraudulently, or dishonestly, or in breach of his duty or trust.

Individual Directors' Remuneration on Named Basis

The details of Directors' remuneration for FY2025, including a breakdown of each individual Director's remuneration such as fees, salaries and bonus, benefits-in-kind and other emoluments are disclosed under Practice Note 8.1 of the 2025 Corporate Governance Report.

Although the MCCG has stipulated that the Company should disclose on a named basis the top five (5) senior management's detailed remuneration including salary, bonus, benefits-in-kind and other emoluments in bands of RM50,000, the Board is of the opinion that the disclosure would not be in the best interest of the Group as it would affect the Group's efforts in talent retention and management within the competitive industry as well as for confidentiality reason.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I - AUDIT COMMITTEE

Audit Committee ("AC")

The AC is comprised solely of Independent Directors. The position of Chairman of the AC and Board are held by different individuals. The details of the composition and activities of the AC are set out in the AC Report of this Annual Report.

Independence of External Auditors

The AC is tasked to review the nomination and appointment of the external auditors by assessing their suitability, objectivity and independence. Based on the terms of reference of the AC, the AC ensures that there is a cooling-off period of at least three years if a former key audit partner is to be appointed as a member of the AC.

The Board maintains a transparent and professional relationship with the external auditors through the AC. The AC invites the external auditors to attend its meetings as and when required. From time to time, the external auditors have highlighted to the AC matters that require the AC's attention. The AC will meet twice a year with the external auditors without the presence of any executive Board member to enable exchange of views on issues requiring attention. The external auditors declare their independence annually to the AC as specified by the By-Laws issued by the Malaysian Institute of Accountants.

The AC conducts an annual assessment on the performance, suitability, objectivity and independence of the external auditors to safeguard the quality, reliability and integrity of audited financial statements and ensure the external auditors is eligible for re-appointment.

PART II - RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Management and Internal Control Framework

The Board acknowledges its overall responsibility in identifying threats and opportunities, including sustainability risks and opportunities and maintaining a sound system of internal control to mitigate the threats and take advantage of the opportunities in order to safeguard the investment of its shareholders, the Group's assets and ensuring sustainability of the Group's business. The key features of the Group's system of risk management are set out in the Statement on Risk Management and Internal Control of this Annual Report.

Internal Audit Function

The Board has established an independent internal audit function that reports directly to the AC. This internal audit function is outsourced to an independent professional firm which is independent of the activities and operations of the Group. Details of the Group's internal control system and framework are set out in the Statement on Risk Management and Internal Control and the AC Report of this Annual Report.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART I - COMMUNICATION WITH STAKEHOLDERS

Communication with Stakeholders

The Board recognises the need for and the importance of constant, clear and effective communication with shareholders and other stakeholders. The Group communicates with its shareholders and stakeholders regularly through timely release of financial results on a quarterly basis, Company's annual reports and other circulars to shareholders and where appropriate, ad hoc press statements which serve as the principal channel in keeping the shareholders and the investing public informed of the Group's major developments and overviews of financial performance and progress throughout the year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The Group maintains a website at www.mieco.com.my where shareholders and stakeholders as well as members of public can access the latest information on the Company and on the business activities of the Group, and also raised their concerns if any. Alternately, they may obtain the Company's latest announcements via the website of Bursa Securities at www.bursamalaysia.com.

PART II - CONDUCT OF GENERAL MEETINGS

Shareholders' Participation at General Meetings

The AGM represents the principal forum for dialogue and interaction with all shareholders. To be in line with good corporate governance practices, the Company has provided at least 28 days' notice for its AGM.

The Securities Commission Malaysia has mandated all public listed companies to conduct general meetings in either physical or hybrid format with effect from 1 March 2025. In compliance with this requirement and Paragraph 8.27A of the MMLR, the Company conducted its 52nd AGM on 29 May 2025 in a fully physical format.

While the Board acknowledges that Practice 13.3 of the MCCG encourages the use of technology to facilitate remote shareholders' participation, the Board is of the view that physical general meetings foster more meaningful engagement and direct interaction between the Board, senior management, and shareholders. Such meetings enable real-time discussions and immediate clarification of queries relating to the Group's strategies, operations, and proposed resolutions, both financial and non-financial, thereby enhancing shareholder understanding and confidence.

To facilitate effective shareholder participation at the 52nd AGM, shareholders who were unable to attend in person were encouraged to appoint proxy(ies) to attend, participate, speak, and vote on their behalf.

The Board will continue to monitor developments in infrastructure and technological support for hybrid general meetings and will assess their feasibility, taking into consideration practicality and cost efficiency, before adopting such a format in the future.

The Minutes of the 52nd AGM held on 29 May 2025 are available on the corporate website at www.mieco.com.my and were published no later than thirty (30) business days after the AGM.

Poll Voting

The Board is mindful of the poll voting requirement under Paragraph 8.29A of the MMLR. All resolutions at the 52nd AGM held on 29 May 2025 were duly put to poll. The Board will continue to conduct poll voting for all the resolutions to be passed in the forthcoming AGM. The Company will appoint one (1) scrutineer, who is independent of the Group and the person undertaking the polling process, to validate the votes casted.

COMPLIANCE STATEMENT

The Board recognises the importance of good corporate governance towards long term sustainability of the Group. To this end, the Board always strive to adopt the principles and recommendations promoted by the MCCG. Save as disclosed within this Annual Report, the Group has, and will continue to apply the principles and recommendations as set out in the MCCG where practical and appropriate.

This statement was approved by the Board at its meeting held on 7 April 2026.

AUDIT COMMITTEE REPORT

COMPOSITION OF AUDIT COMMITTEE

As at the date of this report, the Audit Committee ("AC") comprises the following members:

Mr. Cheam Tow Yong (Chairman/Independent Non-Executive Director)
Mr. Kajendra A/L Pathmanathan (Member/Independent Non-Executive Director)
Madam Tan Poh Cheok (Member/Independent Non-Executive Director)

AUTHORITY AND DUTIES

The details of the terms of reference of the AC are available for reference at www.mieco.com.my

MEETING ATTENDANCE

During the financial year ended 31 December 2025, five AC meetings were held. The Independent Non-Executive Director and Senior Management attended all the AC meetings by invitation to brief the AC on specific issues. Internal auditors attended two of the AC meetings to present their internal audit planning and internal audit report. The external auditors were present at three of the AC meetings where matters relating to the audit of the statutory financial statements were discussed. The AC held two private discussions with the external auditors without the presence of the executive management.

Details of attendance of the AC members are as follows:

Directors	Total Meetings Attended	Percentage of Attendance %
Mr. Cheam Tow Yong *Independent Non-Executive Director*	5/5	100
Mr. Kajendra A/L Pathmanathan *Independent Non-Executive Director*	5/5	100
Madam Tan Poh Cheok *Independent Non-Executive Director*	5/5	100

The AC Chairman has conveyed to the Board matters of significant concern raised by the external auditors and internal auditors. Confirmed minutes of AC meetings were also circulated to the Board for information.

AUDIT COMMITTEE REPORT
(CONT'D)

SUMMARY OF ACTIVITIES

The AC has carried out its duties in accordance with its terms of reference during the financial year ended 31 December 2025. The activities carried out by the AC included the following:

(a) reviewed the quarterly unaudited financial results of the Group before recommending them to the Board for approval and subsequent release of the results to Bursa Malaysia Securities Berhad;

(b) reviewed the audit plan with the external auditors, which covered the engagement and reporting requirements, audit approach, areas of audit emphasis, significant events during the financial year, communication with the management, engagement team, the reporting and deliverables as well as the proposed audit fees;

(c) reviewed the annual audited financial statements of the Group with the external auditors before recommending to the Board for approval. The external auditors' report on the significant audit and accounting issues arising from their audit as well as the accompanying management responses/resolutions were also reviewed by the AC;

(d) considered the performance of External Auditors, reviewed the independence of External Auditors and recommended to the Board for their re-appointment;

(e) met with the external auditors twice without the presence of any executive board members or management, to discuss issues arising from their audit including management cooperation in the audit process, financial reporting issues, operations and for sharing of information;

(f) reviewed and proposed the annual risk-based internal audit plan to ensure adequate scope and coverage of their activities and key risk areas were adequately identified and covered;

(g) reviewed internal audit report presented by internal auditors, especially with regard to the issues raised, audit recommendations and management's responses. Where necessary, the AC has directed action to be taken by management to rectify and improve the system of internal controls and procedures;

(h) reviewed the related party transactions entered into by the Group and any conflict-of-interest or potential conflict of interest situations that may arise within the Group, if any, on quarterly basis. There were no material related party transactions and conflict of interest situation during the financial year;

(i) prepared the Audit Committee Report for inclusion in the Company's Annual Report; and

(j) reviewed and recommended the Statement on Risk Management and Internal Control for the Board's approval.

AUDIT COMMITTEE REPORT
(CONT'D)

INTERNAL AUDIT FUNCTION

The AC is supported by an internal audit (IA) function which is outsourced to an independent professional firm which is independent of the activities and operations of the Group. The IA function provides independent and objective review on the state of internal control and compliance with the Group's policies and procedures in accordance with the annual risk-based internal audit plan approved by the AC. The IA function assists the AC in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance process.

During the financial year ended 31 December 2025, the outsourced Internal Auditors, Messrs LTTH PLT, conducted an internal audit review on the inventory control processes of Great Platform Sdn. Bhd., a wholly-owned subsidiary of the Company, at its Rompin plant.

The audit focused on assessing the adequacy and effectiveness of inventory monitoring and control procedures. Internal audit reports, incorporating audit findings, recommendations and Management's responses, were tabled at the AC meetings for deliberation. The reports were subsequently circulated to the respective operating units for the implementation of appropriate corrective actions within the agreed timelines. Senior Management attended the AC meetings to provide clarification and updates on the status of remedial actions undertaken.

There were no material losses incurred during the financial year as a result of weaknesses in the system of internal control and management continues to take appropriate measures to strengthen and enhance the adequacy and effectiveness of the control environment.

Total costs incurred for the IA function of the Group for the financial year ended 31 December 2025 amounted to RM14,500.00.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors of Mieco Chipboard Berhad ("the Board") is pleased to provide the following Statement on Risk Management and Internal Control pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), Malaysian Code on Corporate Governance and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines").

RESPONSIBILITY OF THE BOARD

The Board affirms its overall responsibility for maintaining an adequate and sound risk management and internal control system within the Group and for reviewing its adequacy and integrity of such system on a regular basis to safeguard shareholders' investment, the Group's assets and ensuring sustainability of the Group's business. However, in view of the inherent limitations in any such system, the risk management and internal control system is designed to manage rather than to eliminate the risk of failure to achieve business objectives. Hence, the risk management and internal control system can only provide a reasonable combination of preventive, detective and corrective measures but not absolute assurance against material misstatement of management and financial information or against financial losses and fraud.

Whilst the Board maintains responsibility over risk and control issues, the management is responsible for implementing policies, procedures and guidelines on risk and control by identifying and evaluating the risks faced and design, operate and monitor a suitable system of internal control to manage these risks.

The effectiveness of the system of risk management and internal control may vary over time due to the changing circumstances and conditions of the Company and of the Group. Nevertheless, the Board recognises that the system of risk management and internal control should be continuously maintained, monitored and improved with appropriate actions taken to address identified control deficiencies and emerging risks.

RISK MANAGEMENT

The Board recognises that risk management is an integral part of the Group's business operations and that the identification and management of such risks are important to ensure the achievement of the Group's corporate objectives.

Regular meetings of the Board, Board committees and management represent the main platform by which the Group's performance and conduct are monitored. The senior management teams are empowered with the responsibility of managing their respective operations. Through regular operational meetings, the senior management teams identify, discuss and deal with operational, financial, sustainability and key management issues. Significant risks identified are escalated to the attention of the Board. The Board is responsible for setting the business directions and overseeing the conduct of the Group's operations. With the assistance of the internal audit ("IA") function, the Board, through the Audit Committee ("AC"), continuously reviews the adequacy, effectiveness and integrity of the risk management processes in place within the various operating businesses. The AC also reviews and deliberates on any matters relating to internal controls highlighted by the external auditors in the course of their statutory financial audit of the Group. Through these mechanisms, the Board is informed of all major control issues pertaining to internal controls, regulatory compliance and risk taking.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Group has adopted an ongoing risk management process for identifying, evaluating, monitoring and managing significant risks affecting the achievements of its business objectives.

The key elements of the Group's risk management and internal control system are set out below:

- The Board is supported with several established Board committees in the execution of its responsibilities, namely the AC and Nomination and Remuneration Committee. Each Committee has clearly defined terms of reference. These committees have the authority to examine all matters within their scope and report to the Board with their recommendations.
- There is an organisational structure with formally defined lines of responsibility and delegation of authority to ensure proper identification of accountabilities and segregation of duties.
- The Group has clear and formally defined approving authority limits and authorisation procedures, which is the primary instrument that governs and manages the business decisions making process within the Group. It also ensures that a system of internal control and checks and balances are incorporated therein. The Authority Chart is periodically reviewed and updated to reflect changes in the business, operational and organisational environment.
- There are documented standard operating policies and procedures covering the critical and significant facets of the Group's business processes and they form an integral part of the internal control framework to safeguard shareholders' investment and the Group's assets against material loss. These areas include manufacturing, human resource, information technology, sales, financial and credit management as well as occupational safety, health and environment. These policies and procedures are reviewed and updated from time to time to meet the operational needs.
- Common Group policies are available on MIECO's intranet for easy access by staff. The intranet is used as an effective means of communication and knowledge sharing at all levels.
- Human resource policies and guidelines are established to provide support to the Group's vision. These policies provide guidance to employees on areas such as discipline, employee performance appraisals and other related matters. Ongoing training and development programmes are conducted to improve and enhance employees' competencies and skills.
- The Group continues to maintain MIECO Quality Management System, Environmental Management System and Occupational Health and Safety Management System certifications. Such quality management systems provide the Group with an improved control of key processes and a foundation for improving quality, customer service and customer satisfaction. The business operations of the Group are also governed by various regulations and laws applicable to the wood industry. Compliance audits are conducted by various independent bodies for the various certifications and licenses obtained from the local governmental authorities and international certification bodies.
- There are adequate insurance coverage and physical safeguards on major assets to ensure that the assets of the Group are sufficiently covered against any mishap that could result in a material loss. A yearly policy renewal exercise is undertaken by management to review the relevance and adequacy of the insurance coverage. There is also a Directors & Officers insurance coverage for the Directors and Officers of the Group.
- The Group operates an Enterprise Resource Planning system which enables transactions to be captured, compiled and reported in a timely and accurate manner. Information systems in the Group provide management with data, analyses, variations, exceptions and other inputs relevant to the Group's performance. Internal control requirements are also embedded in the Group's computerised systems as well.
- The Group has put in place a whistleblowing policy which allows, supports and encourages its employees and third parties to report and disclose any improper or illegal activities within the Group. It is the Group's commitment to investigate any suspected serious misconduct or any breach reported, as well as to protect those who come forward to report such activities.
- The Group has developed an Anti-Bribery and Anti-Corruption Policy and Procedure to provide guidance on how to act when subjected to potential acts of bribery and matters of corruption.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

IDENTIFYING WEAKNESSES IN INTERNAL CONTROLS

During the financial year under review, the Board and the Management have continuously conducted reviews to identify any weaknesses that may arise in the internal control systems within the Group. No major weakness has been identified within the Group's operation and administration systems.

The monitoring, review and reporting arrangements in place to provide reasonable assurance that the structure of control and its operations are appropriate to the Group's operations and that risks are at an acceptable level throughout the Group's businesses. Such arrangements, however, do not eliminate the possibility of human error, deliberate circumvention of control procedures by employees and others or the occurrence of unforeseen circumstances.

The Board recognises the need for the risk management and internal control system to be subject to periodic review in line with the growth and dynamics of the Group. To this end, the Board remains committed towards striving for continuous improvement to put in place appropriate action plans where necessary, to further enhance the risk management and internal control system of the Group.

INTERNAL AUDIT FUNCTION

The Group's IA function is carried out by an independent professional service firm. The principal duty and responsibility of IA is to examine and evaluate the adequacy and effectiveness of the Group's system of internal control, risk management process and compliance framework on behalf of the Board.

The outsourced IA function adopts a risk-based approach in developing its audit plan which addresses all the core auditable areas of the Group based on their risk profile. The IA function provide the AC with the results of the internal audit reviews together with IA's recommendations for improvement, management's response and corrective actions taken or to be taken by management with regard to the weaknesses highlighted. Follow ups will be carried out by the IA function should there be unresolved findings and the status of actions taken by management will be reported to the AC. Based on the internal audit reviews carried out, none of the weaknesses noted by the IA function have resulted in any material losses, contingency or uncertainties that would require disclosure in this Annual Report.

During the financial year, the internal auditors have performed the internal audit according to the Internal Audit Plan approved by Audit Committee. The areas reviewed by IA during the financial year 31 December 2025 was "Inventory Control at Rompin Plant".

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the MMLR, the external auditors have reviewed this Statement on Risk Management and Internal Control for the inclusion in this Annual Report for the financial year ended 31 December 2025. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3: *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement on Risk Management and Internal Control is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Guidelines, nor is it factually inaccurate.

CONCLUSION

The Board has received assurance from the Group Managing Director and the Executive Director, to the best of their knowledge and belief, that the Group's risk management and internal control system is operating adequately and satisfactorily, in all material aspects, based on the risk management and internal control system of the Group. The Board is of the view that the risk management and internal control system in place for the financial year under review and up to the date of the issuance of this Statement on Risk Management and Internal Control is adequate and effective to safeguard the shareholders' investment, the interests of customers, regulators and employees, the Group's assets and ensuring sustainability of the Group's business.

This Statement on Risk Management and Internal Control was approved by the Board at its meeting held on 7 April 2026.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE ANNUAL AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 (the "Act") to prepare financial statements for each financial year which have been made out in accordance with the requirements of the applicable approved Malaysian Financial Reporting Standards, International Financial Reporting Standards, the provisions of the Act and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible for ensuring that the annual audited financial statements of the Group and the Company are prepared with reasonable accuracy from the accounting records of the Group and the Company so as to give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year, and of the results and cash flows of the Group and the Company for the financial year.

In preparing the annual audited financial statements, the Directors have:
- adopted appropriate and relevant accounting policies which are consistently applied;
- made judgements and estimates that are reasonable and prudent; and
- prepared the audited financial statements on a going concern basis.

The Directors are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities.

ADDITIONAL CORPORATE DISCLOSURE

Utilisation of Proceeds

During the financial year ended 31 December 2025 ("FY2025"), the Company did not raise funds via any corporate proposal.

Audit and Non-Audit Fees Paid

The total audit and non-audit fees incurred by the Company and the Group during the FY2025 are as follows:

	Company (RM)	Group (RM)
Audit Fees	55,000	259,000
Non-Audit Fees	5,000	5,000

Material Contracts

The Company has not entered into any material contract with any Directors or substantial shareholders of the Company nor any persons connected to a Directors or major shareholders of the Company.

Contracts Relating to Loans

During the FY2025, there were no material contracts relating to loans entered into by the Company and its subsidiaries involving Directors, Chief Executive and/or major shareholders.

Recurrent Related Party Transactions

Details of the recurrent related party transactions undertaken by the Group during the financial year are disclosed in Note 35 of the Financial Statements herein.

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) **Total Income and Total Assets**

	Group	
	2025 RM'000	2024 RM'000
Revenue	361,569	407,998
Other income	34,871	11,782
Interest income	438	426
Total Income	396,878	420,206
Total Assets	631,238	653,600

(b) **Business Activities**

	Group	
Shariah Non-Compliant Activities	2025 RM'000	2024 RM'000
Interest income	377	358
Total	377	358

(c) **Component of Financial Position**

(i) Cash Component

	Group	
Islamic Account/Instruments	2025 RM'000	2024 RM'000
Cash and bank balances (exclude cash in hand)	1,458	192
Fixed deposits with licensed banks	7,343	6,173
Total Cash	8,801	6,365

	Group	
Conventional Account/Instruments	2025 RM'000	2024 RM'000
Cash and bank balances (exclude cash in hand)	14,619	9,564
Fixed deposits with licensed banks	7,897	7,711
Total Cash	22,516	17,275

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

(c) **Component of Financial Position (Cont'd)**

(ii) Debt Component

	Group	
Islamic Financing	2025 RM'000	2024 RM'000
Current		
Bank overdrafts	-	1,330
Bankers' acceptance	9,784	6,570
Term loans	5,676	3,742
Non-Current		
Term loans	21,284	26,960
Total Financing	36,744	38,602

	Group	
Conventional Borrowing	2025 RM'000	2024 RM'000
Current		
Bankers' acceptance	94,704	105,979
Revolving credit	7,183	14,000
Term loans	3,743	14,030
Non-Current		
Term loans	32,285	56,188
Total Debt	137,915	190,197

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiaries include the manufacturing and marketing of chipboards related products, particle boards, and medium-density fibre boards, as well as manufacturing and trading of moulded timber, furniture products, and timber treatment processing.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Loss for the financial year attributable to owners of the parent	(12,297)	(1,364)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the current financial year.

ISSUE OF SHARES AND DEBENTURES

There was no issuance of shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The Directors in office since the beginning of the current financial year until the date of this report are:

Dato' Sri Ng Ah Chai *
Cheam Tow Yong
Kajendra A/L Pathmanathan
Ng Wei Ping *
Datuk Dr. Roslan Bin A. Ghaffar
Madam Tan Poh Cheok
Datuk Chua Hock Gee (Appointed on 31 March 2026)

* *Director of the Company and its subsidiaries*

DIRECTORS' REPORT (CONT'D)

DIRECTORS (CONT'D)

The Directors who held office in subsidiaries (excluding Directors who are also Directors of the Company) since the beginning of the current financial year until the date of this report are:

Lee Oon Kar
Ng Tien Ying (Resigned on 21 October 2025)

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiaries and made a part hereof.

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2025	Bought	Sold	At 31.12.2025
Interests in the Company				
Direct Interests				
Dato' Sri Ng Ah Chai	584,952,319	-	(18,200,000)	566,752,319
Ng Wei Ping	17,000,000	-	(4,350,000)	12,650,000

By virtue of his interests in the shares of the Company, Dato' Sri Ng Ah Chai is also deemed interested in the shares of all the subsidiaries during the financial year to the extent the Company has an interest under Section 8 of the Companies Act 2016.

None of the other Directors in office at the end of the financial year had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in the companies which traded with certain companies in the Group in the ordinary course of business and rental received or due and receivable by a Director as disclosed in Note 35(b) to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' REMUNERATION

The details of the Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2025 are as follows:

	Group RM'000	Company RM'000
Executive Directors		
Salaries and other emoluments	3,446	3,262
Defined contribution plans	409	387
Employee defined benefit plans	3	2
	3,858	3,651
Non-executive Directors		
Fees	194	194
Allowances	32	32
	226	226
	4,084	3,877

The Directors' remuneration of the Group and of the Company does not include the estimated monetary value of benefit-in-kind amounting to RM28,000 and RM28,000 respectively.

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Group and of the Company were RM10,000,000 and RM20,680 respectively. No indemnity was given to or insurance effected for auditors of the Company.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

   (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and

   (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION (CONT'D)

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or

(iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

(d) In the opinion of the Directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

(ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SUBSIDIARIES

The details of the subsidiaries are disclosed in Note 9 to the financial statements.

SUBSEQUENT EVENTS

The subsequent events are disclosed in Note 39 to the financial statements.

DIRECTORS' REPORT (CONT'D)

AUDITORS' REMUNERATION

The details of the auditors' remuneration for the financial year ended 31 December 2025 are as follows:

	Group RM'000	Company RM'000
Auditors' remuneration		
- Statutory audit	259	55
- Non-statutory audit	5	5
	264	60

AUDITORS

The auditors, UHY Malaysia PLT, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 7 April 2026.

DATO' SRI NG AH CHAI

NG WEI PING

KUALA LUMPUR

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 7 April 2026.

DATO' SRI NG AH CHAI

NG WEI PING

KUALA LUMPUR

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Ng Wei Ping, being the Director primarily responsible for the financial management of Mieco Chipboard Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the Federal)
Territory on 7 April 2026.)

NG WEI PING

Before me,

NO. W790
ZAINUL ABIDIN BIN AHMAD
COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MIECO CHIPBOARD BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Mieco Chipboard Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 101 to 175.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audit of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MIECO CHIPBOARD BERHAD (CONT'D) (INCORPORATED IN MALAYSIA)

Key Audit Matters (Cont'd)

Key audit matters	How our audit addressed the key audit matters
1. **Impairment of property, plant and equipment and right-of-use assets** The Group recognised property, plant and equipment and right-of-use assets with carrying amount of RM233 million and RM101 million, which representing 60% and 26% respectively of total non-current assets of the Group as at 31 December 2025. Management assessed for indicators of impairment to determine if impairment assessment should be carried out. During the financial year, the Directors made an annual impairment assessment of the following plants: • Lipis Plant • Rompin Plant • Simpang Pertang Plant • Gerik Plant The key assumptions used in determining the value in use are disclosed in Note 4 and 5. The Group determined value in use for Lipis Plant, Rompin Plant, Simpang Pertang Plant and Gerik Plant, which are actively being used for production using a discounted cash flow approach. Due to the significance of the amount and the subjectivity involved in estimating the value in use, we identified this as our area of audit focus as the impairment assessment involves determining the recoverable amount using a discounted cash flow approach which is complex and highly judgemental.	We performed the following audit procedures, amongst others: - Obtained an understanding of the relevant internal controls over estimating the recoverable amount of the property, plant and equipment and right-of-use assets. - Discussed with management and obtained an understanding of impairment or potential reversal of previously recognised impairment loss assessment prepared by management. - Reviewed the cash flow projections with comparison to recent performance, trend analysis by reference to prior years' forecasts. - Assessed the reasonableness of the key assumptions used in the cash flows projection such as sales and production growth rate and discount rate. - Tested the sensitivity of the impairment calculations to changes in key assumptions used to evaluate the impact on recoverable amounts for the active plants. - Evaluated the adequacy of the Group's disclosures of each key assumption on which the Group has based its cash flows projections.

We have determined that there is no key audit matter in the audit of the financial statements of the Company to be communicated in our Auditors' Report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MIECO CHIPBOARD BERHAD (CONT'D)
(INCORPORATED IN MALAYSIA)

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosure in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MIECO CHIPBOARD BERHAD (CONT'D)
(INCORPORATED IN MALAYSIA)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY Malaysia PLT
202406000040 (LLP0041391-LCA) & AF1411
Chartered Accountants

TAN GIM-HENG
Approved Number: 03595/09/2027 J
Chartered Accountant

KUALA LUMPUR
7 April 2026

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	232,678	273,900	9	10
Right-of-use assets	5	100,871	102,679	-	-
Investment properties	6	25,000	18,450	-	-
Intangible assets	7	1,835	1,877	-	-
Biological assets	8	20,310	17,072	-	-
Investment in subsidiaries	9	-	-	382,113	382,113
Goodwill on consolidation	10	27	27	-	-
Other financial assets	11	1,575	1,563	-	-
Amount due from subsidiaries	12	-	-	45,400	48,622
Deferred tax assets	13	4,986	4,986	-	-
		387,282	420,554	427,522	430,745
Current Assets					
Inventories	14	77,456	84,386	-	-
Trade receivables	15	36,666	40,098	-	-
Other receivables	16	17,558	14,941	295	236
Amount due from subsidiaries	12	-	-	7,426	5,042
Tax recoverable		1,036	1,475	985	771
Fixed deposits with licensed banks	17	15,240	13,884	180	171
Cash and bank balances		16,176	9,856	49	95
		164,132	164,640	8,935	6,315
Assets held for sale	18	79,824	68,406	-	-
		243,956	233,046	8,935	6,315
Total Assets		631,238	653,600	436,457	437,060

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025 (CONT'D)

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
EQUITY AND LIABILITIES					
Equity					
Share capital	19	276,666	276,666	276,666	276,666
Reserves	20	40,083	52,380	155,404	156,768
Total Equity		316,749	329,046	432,070	433,434
Non-Current Liabilities					
Trade payables	21	10,293	-	-	-
Other payables	22	-	2,122	-	2,122
Lease liabilities	23	3,406	5,093	-	-
Bank borrowings	24	53,569	83,148	-	-
Employee defined benefit plan	25	4,577	4,162	170	152
Deferred tax liabilities	13	104	2,729	-	-
		71,949	97,254	170	2,274
Current Liabilities					
Trade payables	21	49,759	42,342	-	-
Other payables	22	67,852	35,458	462	441
Amount due to subsidiaries	12	-	-	3,755	911
Lease liabilities	23	3,782	3,849	-	-
Bank borrowings	24	121,090	145,651	-	-
Tax payable		57	-	-	-
		242,540	227,300	4,217	1,352
Total Liabilities		314,489	324,554	4,387	3,626
Total Equity and Liabilities		631,238	653,600	436,457	437,060

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	26	361,569	407,998	2,873	3,077
Cost of sales		(373,856)	(378,384)	-	-
Gross (loss)/profit		(12,287)	29,614	2,873	3,077
Other income		35,309	12,208	1,438	1,966
Selling and distribution expenses		(3,011)	(4,062)	-	-
Administrative expenses		(16,257)	(19,191)	(5,523)	(5,439)
Net loss on impairment of financial instruments		(2,291)	(573)	-	-
Finance costs	27	(13,117)	(15,088)	(152)	-
(Loss)/Profit before taxation	28	(11,654)	2,908	(1,364)	(396)
Taxation	29	(643)	(1,372)	-	5
(Loss)/Profit for the financial year		(12,297)	1,536	(1,364)	(391)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Actuarial gain on employee defined benefit plan	25	-	1,028	-	164
Total other comprehensive income for the financial year		-	1,028	-	164
Total comprehensive (loss)/income for the financial year		(12,297)	2,564	(1,364)	(227)
(Loss)/Profit for the financial year attributable to owners of the parent		(12,297)	1,536	(1,364)	(391)
Total comprehensive (loss)/income for the financial year attributable to owners of the parent		(12,297)	2,564	(1,364)	(227)
(Loss)/Earnings per share					
Basic and diluted (loss)/earnings per share (sen)	30	(1.23)	0.15		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Attributable to Owners of the Parent			
	Non-Distributable		Distributable	
	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
Group				
At 1 January 2024	276,666	(78)	49,894	326,482
Profit for the financial year	-	-	1,536	1,536
Other comprehensive income for the financial year	-	-	1,028	1,028
Total comprehensive income for the financial year	-	-	2,564	2,564
At 31 December 2024	276,666	(78)	52,458	329,046
At 1 January 2025	276,666	(78)	52,458	329,046
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	(12,297)	(12,297)
At 31 December 2025	276,666	(78)	40,161	316,749

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Share Capital RM'000	Retained Earnings RM'000	Total Equity RM'000
Company			
At 1 January 2024	276,666	156,995	433,661
Loss for the financial year	-	(391)	(391)
Other comprehensive income for the financial year	-	164	164
Total comprehensive loss for the financial year	-	(227)	(227)
At 31 December 2024	276,666	156,768	433,434
At 1 January 2025	276,666	156,768	433,434
Loss for the financial year, representing total comprehensive loss for the financial year	-	(1,364)	(1,364)
At 31 December 2025	276,666	155,404	432,070

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Operating Activities				
(Loss)/Profit before tax	(11,654)	2,908	(1,364)	(396)
Adjustments for:				
Amortisation of intangible assets	42	42	-	-
Depreciation of:				
- Property, plant and equipment	24,787	22,408	6	9
- Right-of-use assets	4,222	4,786	-	-
Fair value gain on:				
- Investment property	(6,550)	(540)	-	-
- Biological assets	-	(68)	-	-
- Other financial asset	(12)	(12)	-	-
Finance costs	13,117	15,088	152	-
Impairment losses on:				
- Asset held for sale	-	2,754	-	-
- Other receivables	-	573	-	-
- Trade receivables	2,292	-	-	-
Inventories written down to net realisable value	35	66	-	-
Deposit written off	1	-	-	-
Loss/(Gain) on disposal of				
- Property, plant and equipment	279	(41)	-	-
- Right-of-use assets	(25)	12	-	-
- Asset held for sale	(18,162)	-	-	-
Provision for employee defined benefit plan	415	692	18	51
Waiver of debts	-	-	-	10
Reversal of impairment losses on trade receivables	(4)	-	-	-
Gain on termination of lease contract	(7)	-	-	-
Interest income	(438)	(426)	(1,438)	(1,966)
Unrealised gain on foreign exchange	(30)	(244)	-	-
Operating profit/(loss) before working capital changes	8,308	47,998	(2,626)	(2,292)
Changes in working capital:				
Inventories	6,895	(7,793)	-	-
Trade receivables	1,169	11,253	-	-
Other receivables	(2,610)	420	(59)	(28)
Trade payables	17,710	(10,992)	-	-
Other payables	30,270	(14,055)	(2,100)	(18,702)
	53,434	(21,167)	(2,159)	(18,730)
Cash generated from/(used in) operations	61,742	26,831	(4,785)	(21,022)
Interest paid	(13,117)	(15,088)	(152)	-
Interest received	438	426	1,438	2,941
Tax paid	(552)	(705)	(235)	(460)
Tax refund	617	16	21	-
Real property gain tax paid	(2,835)	-	-	-
Employee defined benefit paid	-	(3,105)	-	(90)
Net cash generated from/(used in) operating activities	46,293	8,375	(3,713)	(18,631)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Investing Activities				
Net changes in amount due from subsidiaries	-	-	837	18,557
Purchase of property, plant and equipment	(26,078)	(12,207)	(5)	-
Purchase of right-of-use assets [Note 5(d)]	(590)	(48)	-	-
Purchase of investment property	-	(49)	-	-
Adjustment on investment properties (Note 6)	-	79	-	-
Additions of biological assets	(3,238)	(3,527)	-	-
Purchase of other financial asset	-	(826)	-	-
Proceeds from disposal of:				
- Property, plant and equipment	2,077	297	-	-
- Right-of-use assets	70	1,360	-	-
- Asset held for sale	46,950	-	-	-
Net cash outflows arising from acquisition of a subsidiary (Note 9)	-	(10)	-	-
Net cash generated from/(used in) investing activities	19,191	(14,931)	832	18,557
Financing Activities				
Increase in fixed deposits pledged with licensed banks	(1,356)	(563)	-	-
Net changes in amount due to subsidiaries	-	-	2,844	-
Net (repayment to)/proceeds from bankers' acceptance	(8,061)	29,530	-	-
Repayment in term loans	(37,932)	(12,152)	-	-
Payment of lease liabilities	(3,665)	(5,137)	-	-
Repayment to revolving credit	(6,817)	-	-	-
Net cash (used in)/generated from financing activities	(57,831)	11,678	2,844	-
Net increase/(decrease) in cash and cash equivalents	7,653	5,122	(37)	(74)
Effects of exchange translation differences on cash and cash equivalents	5	(47)	-	-
Cash and cash equivalents at the beginning of the financial year	8,697	3,622	266	340
Cash and cash equivalents at the end of the financial year	16,355	8,697	229	266
Cash and cash equivalents at the end of the financial year comprises:				
Fixed deposits with licensed banks	15,240	13,884	180	171
Cash and bank balances	16,176	9,856	49	95
Bank overdraft	-	(1,330)	-	-
	31,416	22,410	229	266
Less: Fixed deposits pledged with licensed banks	(15,061)	(13,713)	-	-
	16,355	8,697	229	266

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

Notes to statement cash flows

Cash flow for leases as a lessee

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Included in operating activities:					
Interest paid in relation to lease liabilities	27	540	747	-	-
Payment relating to short-term leases	28	78	202	-	-
Included in financing activities:					
Payment of lease liabilities		3,665	5,137	-	-
Total cash outflows for leases		4,283	6,086	-	-

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiaries include the manufacturing and marketing of chipboards related products, particle boards, and medium-density fibre boards, as well as manufacturing and trading of moulded timber, furniture products, and timber treatment processing.

There have been no significant changes in the nature of these activities during the financial year.

The registered office and principal place of business of the Company is located at No. 1, Block C, Jalan Indah 2/6, Taman Indah, Batu 11, 43200 Cheras, Selangor Darul Ehsan.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies below.

Adoption of new and amended standard

During the financial year, the Group and the Company have adopted the following new standards and amendments to standards issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 121	Lack of Exchangeability

The adoption of the new standard and amendment to standards did not have any significant impact on the financial statements of the Group and of the Company.

Standards issued but not yet effective

The Group and the Company have not applied the following new standards and amendments to standards that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRSs	Annual Improvements to MFRS Standards – Volume 11	1 January 2026
Amendments to MFRS 7 and MFRS 9	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 7 and MFRS 9	Contracts Referencing Nature - dependent Electricity	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

2. **BASIS OF PREPARATION (CONT'D)**

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The Group and the Company intend to adopt the above new standards and amendments to standards, if applicable, when they become effective.

The initial application of the above-mentioned new standards and amendments to standards are not expected to have any significant impact on the financial statements of the Group and of the Company.

(b) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM in thousands except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

<u>Impairment – identification of cash-generating units ("CGUs") and assessment of indicators</u>

The Group exercises judgement in determining the appropriate level at which assets generate largely independent cash inflows for impairment assessment purposes. This requires consideration of the Group's operational structure, production processes and internal reporting lines.

<u>Fair value measurement of investment properties (Level 3)</u>

The Group's investment properties are measured at fair value using valuation techniques that incorporate significant unobservable inputs (Level 3 under MFRS 13).

Judgement is required in selecting the appropriate valuation approach (e.g. comparison and/or cost approach) and in assessing the reliability and relevance of observable market data. The Group has engaged an independent professional valuer and has evaluated the appropriateness of the valuation methodology and key assumptions applied.

<u>Determination of lease term</u>

The lease term is determined based on judgement in assessing whether extension or termination options are reasonably certain to be exercised, taking into account all relevant economic factors.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Depreciation and useful lives of property, plant and equipment and right-of-use ("ROU") assets

The Group reviews the residual values, useful lives and depreciation methods at the end of each reporting period. Judgements are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment and ROU assets may differ from the estimates applied and therefore, future depreciation charges could be revised. The carrying amounts of the Group's and of the Company's property, plant and equipment and ROU assets are disclosed in Notes 4 and 5 respectively.

Impairment of property, plant and equipment and ROU assets

The Group assesses whether there is any indication that property, plant and equipment and ROU assets are impaired at the end of each reporting period. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. The recoverable amount is measured at the higher of the fair value less cost of disposal for that asset and its value in use. The value in use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate. Projected future cash flows are calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information. Changes to any of these assumptions would affect the amount of impairment.

The key assumptions used to determine the recoverable amounts are disclosed in Notes 4 and 5 respectively.

Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2025 for investment properties.

The valuation was determined using a combination of the comparison approach and cost approach. The comparison approach involves analysing recent market transactions of comparable properties and making adjustments for differences in location, size and condition. The cost approach involves estimating the replacement cost of the buildings and adjusting for physical deterioration, functional and economic obsolescence.

The valuation of investment properties involves significant judgement and estimation, particularly in determining appropriate adjustments to comparable market transactions, estimated construction costs, and depreciation and obsolescence factors. These inputs are not directly observable in the market and may vary based on the specific characteristics of the properties.

Accordingly, the fair value measurement is sensitive to changes in these key assumptions, and different assumptions could result in materially different fair values.

The key assumptions used to determine the fair value of the investment properties are disclosed in Note 6.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unutilised capital allowances, unutilised investment tax allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which unused tax losses, unutilised capital allowances, unutilised investment tax allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 13.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices less estimated cost to sell. Demand level and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 14.

Provision for expected credit loss of financial assets at amortised cost

The Group uses a provision matrix to calculate expected credit loss for trade receivables. The provision rates are based on number of days past due.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The Group's historical credit loss experience and forecast of economic conditions may not be representative of customers' actual defaults in the future. Information about the expected credit loss is disclosed in Note 15.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Defined benefit liability

Management estimates the defined benefit liability annually with the assistance of independent actuaries; however, the actual outcome may vary due to estimation uncertainties. The estimate is based on standard rates of inflation, medical cost trends and mortality. It also takes into account the Group's and the Company's specific anticipation of future salary increases. Discount factors are determined at each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Estimation uncertainties exist particularly with regard to medical cost trends, which may vary significantly in future appraisals of the Group's and of the Company's defined benefit obligations. The defined benefit liability of the Group and of the Company at the reporting date is disclosed in Note 25.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made. As at 31 December 2025, the Group and the Company have tax recoverable of RM1,036,000 and RM985,000 (2024: RM1,475,000 and RM771,000) respectively.

3. MATERIAL ACCOUNTING POLICIES

The Group and the Company apply the material accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

In the Company's separate financial statements, investment in subsidiaries are stated at cost less any accumulated impairment losses. On disposal of such investment, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss.

(ii) Business combinations

The Group applies the acquisition method to account for business combinations from the acquisition date, which is the date on which the control is transferred to the Group. Under the acquisition method, the identifiable assets acquired and liabilities assumed are measured at their fair values at the acquisition date. The cost of an acquisition is measured as the aggregate of the fair value of the consideration transferred. Non-controlling interests are stated either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group measures goodwill as the excess of the cost of an acquisition, as defined above, and the fair values of any previously held interest in the acquiree, over the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, all intra-group balances, income and expenses and unrealised gains or losses resulting from intra-group transactions are eliminated in full. Uniform accounting policies are applied to like transactions and events in similar circumstances.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(iii) Changes in ownership interests in subsidiaries without change of control

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's proportionate share of net assets before and after the change, and any fair value of consideration received or paid, is recognised directly in equity as transactions with shareholders.

(iv) Disposal of subsidiaries

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or at fair value through other comprehensive income depending on the level of influence retained.

(b) Foreign currency translation

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date, which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed off such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related that foreign operations is reclassified to profit or loss as part of the gain or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Foreign currency translation (Cont'd)

(ii) Foreign operations (Cont'd)

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Property, plant and equipment

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

(i) Recognition and measurement

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced component is derecognised. All other repair and maintenance are recognised in profit or loss during the financial year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

Capital work-in-progress consists of land and buildings and plant and machineries under construction and/or installation for intended use as production facilities. The amount is stated at cost until the property, plant and equipment are ready for their intended use.

(ii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for its intended use.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Freehold buildings	2%
Plant and machineries	3% - 33%
Furniture, fittings, office renovation and equipment	10% - 50%
Motor vehicles	20%

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(d) Leases

As lessee

The Group and the Company recognise a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payment made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group and the Company by the end of the lease term or the cost of the ROU asset reflects that the Group and the Company will exercise a purchase option. In that case the ROU asset will be depreciated over the useful life of the underlying asset, which determined on the same basis as those of property, plant and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate is used. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Group and the Company change its assessment of whether it will exercise a purchase, extension or termination option. The Group and the Company will reassess whether it is reasonably certain to exercise the extension option if there is a significant change in circumstances within its control.

When the lease liability is remeasured as described in the above paragraph, a corresponding adjustment is made to the carrying amount of the ROU asset or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

Short-term *leases and leases of low-value assets*

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group do not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group applies MFRS 15 Revenue from Contracts with Customers to allocate the consideration in the contract based on the stand-alone selling price.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(d) Leases (Cont'd)

As lessor (Cont'd)

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(e) Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequently, investment properties are measured at fair value which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are recognised in profit or loss for the period in which they arise, including the corresponding tax effect.

Investment properties are valued by independent professional qualified valuers, having appropriate recognised professional qualifications and recent experience in the locations and categories of the properties being valued.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the reporting period of retirement or disposal.

(f) Intangible assets

Intangible assets acquired separately

Intangible assets comprise of assets usage rights and are stated at cost less any accumulated amortisation and accumulated impairment losses. The assets usage rights are amortised on a straight-line method over their lease term range from 45 to 46 years.

(g) Financial assets

Recognition and initial measurement

Financial assets are recognised on the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments. Transaction costs of financial assets carried at fair value through profit or loss ("FVTPL") are expensed in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Financial assets (Cont'd)

Financial asset categories and subsequent measurement

The Group and the Company determine the classification of financial assets at initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Group and the Company classify their financial assets as follows:

(i) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Any gain and loss on derecognition are recognised in profit or loss.

The Group's financial assets at amortised cost include trade and other receivables, fixed deposits with licensed banks and cash and bank balances. The Company's financial assets at amortised cost include other receivables, amount due from subsidiaries, fixed deposits with licensed banks and cash and bank balances.

(ii) Financial assets at fair value through other comprehensive income ("FVTOCI")

The Group and the Company have not designated any financial assets at FVTOCI.

(iii) Financial assets at fair value through profit or loss

The Group acquired a keyman insurance contract. The insurance contract is initially recognised at the amount of the premium paid and subsequently carried at fair value at the end of each reporting period, with changes in fair value recognised in profit or loss.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment assessment.

Regular way purchase or sale of financial assets

Regular way purchase or sale are purchase or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchase or sale of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Financial assets (Cont'd)

Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to receive cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial assets and the sum of consideration received (including new asset obtained less any new liability assumed) is recognised in profit or loss.

(h) Financial liabilities

Recognition and initial measurement

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

At initial recognition, the Group and the Company measure a financial liability at its fair value less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments.

Financial liability categories and subsequent measurement

The Group and the Company classify their financial liabilities as follows:

(i) Financial liabilities at amortised cost

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

The Group's financial liabilities designated as amortised cost comprise trade and other payables, lease liabilities and bank borrowings. The Company's financial liabilities designated as amortised cost comprise other payables, amount due to subsidiaries and lease liabilities.

(ii) Financial liabilities at fair value through profit or loss

The Group and the Company have not designated any financial liabilities at FVTPL.

Derecognition

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(i) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised, when appropriate, the cumulative amount of the income recognised in accordance with the principles of MFRS 15 Revenue from Contracts with Customers.

(j) Offsetting of financial instruments

Financial asset and financial liability are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(k) Biological assets

Biological assets consist of the eucalyptus tree plantation, include expenditure incurred on planting, fertilising and other associated cost incurred on upkeep of the eucalyptus to maturity. Biological assets are measured at fair value less costs to sell. Any gains or losses arising from changes in the fair value less costs to sell are recognised in profit or loss. The fair value of the biological assets are valued by management with recent experience in the category of the biological assets valued.

Biological assets are classified as non-current assets for eucalyptus tree plantation that are expected to be harvested on a date more than 12 months after the reporting date.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials and spares and consumables comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a weighted average basis. Cost of finished goods and work-in-progress consists of direct material, direct labour and an appropriate proportion of production overheads (based on normal operating capacity) are stated on a weighted average basis.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdraft and short-term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(n) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss.

An impairment loss is reversed if, and only if, there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience and the economic environment.

The loss allowances for other receivables and inter-company balances are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions as well as forward-looking estimates at the end of each reporting period. The Group and the Company define significant increase in credit risk based on past due information, i.e. 365 days after credit terms. The carrying amount of other receivables as at the reporting date is disclosed in Note 16.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(o) Share capital

Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(p) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(q) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(iii) Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Defined benefit plan is an approved fund independent of the Group's and the Company's finances and defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability in respect of a defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for actuarial gains/losses and unrecognised past service cost. The Group and the Company determine the present value of the defined benefit obligation and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of reporting period.

The defined benefit obligation, calculated annually using the Projected Unit Credit Method, is determined by independent actuaries, considering the estimated future cash outflows using market yields at reporting date of Government securities which have currency and terms to maturity approximating the terms of the related liability.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(q) Employee benefits (Cont'd)

(iii) Defined benefit plans (Cont'd)

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. The actuarial gains and losses are not subsequently reclassified to profit or loss in subsequent period.

Past-service costs are recognised immediately in profit or loss.

The Group and the Company recognise gains and losses on the settlement of a defined benefit plan when settlement occurs.

(r) Revenue and other income

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from the following major sources:

(a) Sale of goods

Revenue is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue from sale of goods is recognised when the transfer of significant risk and rewards of ownership of the goods to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(b) Rendering of services

Management fees are recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

(ii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(s) Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

(t) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised investment tax allowances, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(u) Fair value measurement

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer of the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

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

Level 3 : unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Freehold buildings RM'000	Plant and machineries RM'000	Furniture, fittings, office renovation and equipment RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
2025							
Group							
Cost							
At 1 January 2025	26,484	42,125	740,823	32,342	14,701	4,968	861,443
Additions	-	-	26,004	74	491	-	26,569
Disposals	-	(3,442)	(12,071)	(24)	(2,962)	-	(18,499)
Transfer to assets held for sale (Note 18)	(19,735)	(21,638)	-	-	-	-	(41,373)
Transfer to right-of-use assets (Note 5)	-	-	-	-	(491)	-	(491)
Transfer from right-of-use assets (Note 5)	-	-	-	-	1,977	-	1,977
At 31 December 2025	6,749	17,045	754,756	32,392	13,716	4,968	829,626
Accumulated depreciation							
At 1 January 2025	-	4,500	482,602	26,619	13,210	-	526,931
Charge for the financial year	-	767	22,097	1,589	334	-	24,787
Disposals	-	(1,341)	(12,057)	(24)	(2,721)	-	(16,143)
Transfer to assets held for sale (Note 18)	-	(1,167)	-	-	-	-	(1,167)
Transfer to right-of-use assets (Note 5)	-	-	-	-	(49)	-	(49)
Transfer from right-of-use assets (Note 5)	-	-	-	-	1,977	-	1,977
At 31 December 2025	-	2,759	492,642	28,184	12,751	-	536,336
Accumulated impairment losses							
At 1 January/ 31 December 2025	-	-	60,123	134	355	-	60,612
Carrying amount							
At 31 December 2025	6,749	14,286	201,991	4,074	610	4,968	232,678

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land RM'000	Freehold buildings RM'000	Plant and machineries RM'000	Furniture, fittings, office renovation and equipment RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
Group							
Cost							
At 1 January 2024	34,894	49,156	733,100	31,939	14,901	2,942	866,932
Additions	-	535	9,243	403	-	2,026	12,207
Disposals	-	-	(1,520)	-	(200)	-	(1,720)
Transfer to assets held for sale (Note 18)	(8,410)	(7,566)	-	-	-	-	(15,976)
At 31 December 2024	26,484	42,125	740,823	32,342	14,701	4,968	861,443
Accumulated depreciation							
At 1 January 2024	-	3,763	464,289	25,050	13,078	-	506,180
Charge for the financial year	-	930	19,577	1,569	332	-	22,408
Disposals	-	-	(1,264)	-	(200)	-	(1,464)
Transfer to assets held for sale (Note 18)	-	(193)	-	-	-	-	(193)
At 31 December 2024	-	4,500	482,602	26,619	13,210	-	526,931
Accumulated impairment losses							
At 1 January/ 31 December 2024	-	-	60,123	134	355	-	60,612
Carrying amount							
At 31 December 2024	26,484	37,625	198,098	5,589	1,136	4,968	273,900

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Company	
	2025 RM'000	2024 RM'000
Furniture, fittings, office renovation and equipment		
Cost		
At 1 January	4,785	4,785
Additions	5	-
At 31 December	4,790	4,785
Accumulated depreciation		
At 1 January	4,775	4,766
Charge for the financial year	6	9
At 31 December	4,781	4,775
Carrying amount		
At 31 December	9	10

(a) The carrying amount of property, plant and equipment of the Group which have been pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 24(a) are as follows:

	Group	
	2025 RM'000	2024 RM'000
Freehold land	6,749	26,484
Freehold buildings	14,208	35,043
Plant and machineries	185,753	176,683
Furniture, fittings, office renovation and equipment	212	254
Motor vehicles	358	563
Capital work-in-progress	4,833	4,833
	212,113	243,860

(b) Impairment assessment for property, plant and equipment

At 31 December 2025, the Group has performed a review of the recoverable amount of the Group's plants. Based on management's assessment, the results are as follows:

Lipis Plant

The recoverable amount of Lipis Plant is higher than its carrying amount and was based on its value in use. Value in use was determined by discounting the future cash flows to be generated from the use of Lipis Plant over its remaining useful life. The key assumptions used in determining the value in use are as follows:

- Discount rate of 8.05%; and
- Growth rate of 5.12%.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Impairment assessment for property, plant and equipment (Cont'd)

Sensitivity analysis

Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed the recoverable amount of Lipis Plant.

Rompin Plant

The recoverable amount of Rompin Plant's plant and machineries is higher than its carrying amount and was based on its value in use. Value in use was determined by discounting the future cash flows to be generated from Rompin Plant's plant and machineries over its remaining useful life. The key assumptions used in determining the value in use are as follows:

- Discount rate of 8.05%; and
- Growth rate of 5.12%.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources.

Sensitivity analysis

Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed the recoverable amount of Rompin Plant.

Simpang Pertang Plant

The recoverable amount of Simpang Pertang Plant is higher than its carrying amount and was based on its value in use. Value in use was determined by discounting the future cash flows to be generated from the use of Simpang Pertang Plant over its remaining useful life. The key assumptions used in determining the value in use are as follows:

- Discount rate of 8.05%; and
- Growth rate of 5.12%.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources.

Sensitivity analysis

Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed the recoverable amount of Simpang Pertang Plant.

Gerik Plant

The recoverable amount of Gerik Plant's plant and machineries are higher than its carrying amount and was based on its value in use. Value in use was determined by discounting the future cash flows to be generated from Gerik Plant's plant and machineries over its remaining useful life. The key assumptions used in determining the value in use are as follows:

- Discount rate of 8.05%; and
- Growth rate of 5.12%.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

5. RIGHT-OF-USE ASSETS

	Leasehold land RM'000	Leasehold buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Buildings RM'000	Capital work-in Progress RM'000	Total RM'000
2025							
Group							
Cost							
At 1 January 2025	13,328	100,764	1,648	13,713	1,039	2,311	132,803
Additions	-	-	2,204	-	93	-	2,297
Disposals	-	-	-	(112)	-	-	(112)
Expiration of lease contracts	-	-	-	-	(583)	-	(583)
Termination of lease contracts	-	-	-	-	(457)	-	(457)
Transfer from property, plant and equipment (Note 4)	-	-	-	491	-	-	491
Transfer to property, plant and equipment (Note 4)	-	-	-	(1,977)	-	-	(1,977)
At 31 December 2025	13,328	100,764	3,852	12,115	92	2,311	132,462
Accumulated depreciation							
At 1 January 2025	1,551	17,638	293	7,373	690	-	27,545
Charge for the financial year	151	1,118	186	2,654	113	-	4,222
Disposals	-	-	-	(67)	-	-	(67)
Expiration of lease contracts	-	-	-	-	(583)	-	(583)
Termination of lease contracts	-	-	-	-	(177)	-	(177)
Transfer from property, plant and equipment (Note 4)	-	-	-	49	-	-	49
Transfer to property, plant and equipment (Note 4)	-	-	-	(1,977)	-	-	(1,977)
At 31 December 2025	1,702	18,756	479	8,032	43	-	29,012
Accumulated impairment losses							
At 1 January/ 31 December 2025	-	2,579	-	-	-	-	2,579
Carrying amount							
At 31 December 2025	11,626	79,429	3,373	4,083	49	2,311	100,871

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

5. RIGHT-OF-USE ASSETS (CONT'D)

	Leasehold land RM'000	Leasehold buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Buildings RM'000	Capital work-in Progress RM'000	Total RM'000
2024							
Group							
Cost							
At 1 January 2024	15,273	104,376	1,648	16,159	582	2,311	140,349
Additions	-	48	-	-	457	-	505
Disposals	-	-	-	(2,446)	-	-	(2,446)
Transfer to assets held for sale (Note 18)	(1,945)	(3,660)	-	-	-	-	(5,605)
At 31 December 2024	13,328	100,764	1,648	13,713	1,039	2,311	132,803
Accumulated depreciation							
At 1 January 2024	1,466	16,561	183	5,324	446	-	23,980
Charge for the financial year	163	1,146	110	3,123	244	-	4,786
Disposals	-	-	-	(1,074)	-	-	(1,074)
Transfer to assets held for sale (Note 18)	(78)	(69)	-	-	-	-	(147)
At 31 December 2024	1,551	17,638	293	7,373	690	-	27,545
Accumulated impairment losses							
At 1 January/ 31 December 2024	-	2,579	-	-	-	-	2,579
Carrying amount							
At 31 December 2024	11,777	80,547	1,355	6,340	349	2,311	102,679

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

5. RIGHT-OF-USE ASSETS (CONT'D)

(a) The carrying amount of right-of-use assets of the Group pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 24(a) are as follows:

	Group	
	2025 RM'000	2024 RM'000
Leasehold land	7,177	7,274
Leasehold buildings	79,429	80,547
	86,606	87,821

(b) The remaining lease terms of the leasehold land range from 64 to 96 years (2024: 24 to 97 years).

(c) The carrying amount of right-of-use assets of the Group held under lease liabilities are as follows:

	Group	
	2025 RM'000	2024 RM'000
Plant and machinery	3,373	1,355
Motor vehicles	4,083	6,340
	7,456	7,695

The leased assets are pledged as securities for the related lease liabilities as disclosed in Note 23.

(d) The aggregate additional costs for the right-of-use assets of the Group during the financial year acquired under leases financing, offset with deposits and cash payments are as follows:

	Group	
	2025 RM'000	2024 RM'000
Aggregate costs	2,788	505
Less: Leases financing	(2,198)	(457)
Cash payments	590	48

(e) Impairment assessment for right-of-use assets

At 31 December 2025, the Group has performed a review of the recoverable amount of the Group's plants. Based on management's assessment, the results are as follows:

Lipis Plant

The recoverable amount of Lipis Plant is higher than its carrying amount and was based on its value in use. The key assumptions used in determining the value in use and the sensitivity analysis of Lipis Plant is disclosed in Note 4(b).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

5. RIGHT-OF-USE ASSETS (CONT'D)

(e) Impairment assessment for right-of-use assets (Cont'd)

Simpang Pertang Plant

The recoverable amount of Simpang Pertang Plant is higher than its carrying amount and was based on its value in use. The key assumptions used in determining the value in use and the sensitivity analysis of Simpang Pertang Plant is disclosed in Note 4(b).

6. INVESTMENT PROPERTIES

	Group	
	2025 RM'000	2024 RM'000
At fair value		
Freehold property		
At 1 January	18,450	25,405
Additions	-	49
Adjustments*	-	(79)
Transfer to assets held for sale (Note 18)	-	(7,465)
Change in fair value recognised in profit or loss	6,550	540
At 31 December	25,000	18,450

* Represents credit note received from supplier for the financial year ended 31 December 2024 for the addition of investment properties for the financial year ended 31 December 2023.

(a) The freehold investment properties of the Group with carrying amount of RM25,000,000 (2024: RM18,450,000) were revalued by an independent firm of professional valuer on 31 December 2025. The independent professional qualified valuer holds recognised relevant professional qualifications and have recent experience in the locations and category of the investment properties being valued.

The fair value is determined using a combination of the comparison approach and cost approach. Under the comparison approach, recent market transactions of comparable properties are analysed and adjusted for differences in location, size and condition. Under the cost approach, the replacement cost of the buildings is estimated and adjusted for physical deterioration, functional and economic obsolescence.

The valuation incorporates significant unobservable inputs, particularly in respect of estimated construction costs and depreciation adjustments. Accordingly, the fair value measurement is categorised within Level 3 of the fair value hierarchy.

There were no transfers between levels during current financial year.

The increase in fair value of RM6,550,000 has been recognised in the profit or loss during the financial year.

(b) The freehold investment properties of the Group with carrying amount of RM25,000,000 (2024: RM18,450,000) are pledged to licensed banks for credit facilities granted to the Group as disclosed in Note 24(a).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

6. INVESTMENT PROPERTIES (CONT'D)

(c) The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description	Valuation technique	Significant unobservable inputs	Relationship of inputs to fair value
Land	Comparison approach	Price per square foot (31.12.2025: RM10.79-RM16; 31.12.2024: RM4.02-RM12.62)	Higher price per square foot results in higher fair value
Building	Cost approach	Estimated construction cost per square foot (31.12.2025: RM100-RM180) depreciation and obsolescence adjustments	Higher construction cost and lower depreciation result in higher fair value

(d) The following income and expenses are recognised in profit or loss in respect of the investment properties:

	Group	
	2025 RM'000	2024 RM'000
Rental income	3,209	3,852
Direct operating expenses	428	561

7. INTANGIBLE ASSETS

	Group	
	2025 RM'000	2024 RM'000
Asset usage rights		
Cost		
At 1 January/31 December	2,000	2,000
Accumulated amortisation		
At 1 January	123	81
Charge for the financial year	42	42
At 31 December	165	123
Carrying amount		
At 31 December	1,835	1,877

The Group acquired the rights to extract, clear, remove existing plants and replanting and harvesting in the Permanent Forest Reserve ("Hutan Simpanan Kekal"). These rights of extraction and replanting are amortised on straight-line basis over the lease term range from 45 to 46 years (2024: 46 to 47 years).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

8. BIOLOGICAL ASSETS

	Group	
	2025 RM'000	2024 RM'000
At fair value less costs to sale		
At 1 January	17,072	11,325
Additions	3,238	5,679
Change in fair value recognised in profit or loss	-	68
At 31 December	20,310	17,072

The biological assets consist of the eucalyptus tree plantation, include expenditure incurred on planting, fertilising and other associated costs incurred to upkeep of the eucalyptus to maturity. As at the reporting date, the eucalyptus tree plantation is not ready for any harvesting as the logs are only ready to be harvested once they reached 5 years old.

The biological assets of the Group with carrying amount of RM16,998,000 (2024: RM13,800,000) were updated by management with prior valuation by an independent firm of professional valuer on 31 December 2024. For the financial year ended 31 December 2025, the fair value has been updated by management using the same valuation methodology, based on revised assumptions and inputs reflecting current market conditions. The independent professional qualified valuer holds recognised relevant professional qualifications and have recent experience in the category of the biological assets being valued. The fair value is within level 3 of the fair value hierarchy.

The key assumptions used in determining the fair value are as follows:

- Pre-tax discount rate of 15.0%;
- Estimated yield per hectare of 600 trees;
- Premium to non-premium yield ratio is assumed to be 20:80; and
- Estimated selling price for premium yield and non-premium yield are assumed to be RM600 per tonne and RM300 per tonne respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

9. INVESTMENT IN SUBSIDIARIES

(a) Investment in subsidiaries

	Company 2025 RM'000	Company 2024 RM'000
In Malaysia		
Unquoted shares, at cost	384,328	384,328
Less: Accumulated impairment losses	(2,215)	(2,215)
	382,113	382,113
Outside Malaysia		
Unquoted shares, at cost	50	50
Less: Accumulated impairment losses	(50)	(50)
	-	-
	382,113	382,113

(b) Details of the subsidiaries are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest 2025 %	Effective interest 2024 %	Principal activities
Direct holding:				
Mieco Manufacturing Sdn. Bhd.	Malaysia	100	100	Manufacturing and marketing of chipboards and related products
Great Platform Sdn. Bhd. ("GPSB")	Malaysia	100	100	Manufacturing and trading of particle board and medium density fibre board
Seng Yip Furniture Sdn. Bhd. ("SYFSB")	Malaysia	100	100	Manufacturing and trading of moulded timber, furniture products and timber treatment processing
Mieco Marketing Sdn. Bhd.@	Malaysia	100	100	Wholesale of logs, sawn timber, plywood, veneer and related products
Mieco Chemicals Sdn. Bhd.@	Malaysia	100	100	Manufacturing of other chemical products
Mieco Wood Resources Sdn. Bhd.@	Malaysia	100	100	Wholesale of lumber and timber
Mieco International (HK) Limited*	Hong Kong	100	100	Dormant
Aspire Benchmark Sdn. Bhd.^	Malaysia	100	100	Property investment

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Details of the subsidiaries are as follows (Cont'd):

Name of company	Place of business/ Country of incorporation	Effective interest 2025 %	2024 %	Principal activities
Direct holding:				
Mieco Plantation Sdn. Bhd. (F.K.A. Mieco Reforestation Sdn. Bhd.)	Malaysia	100	100	Planting, replanting, transplanting, thinning and conserving of forests and timber tracts
Indirect holding:				
Held through GPSB				
Particleboard Malaysia Sdn. Bhd.#	Malaysia	100	100	Wholesale of logs, sawn timber, plywood, veneer and related products
Held through Mieco Plantation Sdn. Bhd. (F.K.A. Mieco Reforestation Sdn. Bhd.)				
Maritime Skills Resources Sdn. Bhd. ("Maritime")	Malaysia	100	100	Export and import of lumber and timber as well as planting, replanting, transplanting, thinning and conserving of forests and timber tracts and wholesale of lumber and timber

@ *The Company is dormant and management presently has no definite plans for the commencement of any business activities.*

* *Not audited by UHY Malaysia PLT. As the company is dormant, no statutory audit is required under Hong Kong Companies Ordinance.*

\# *During the financial year, the striking off process of Particleboard Malaysia Sdn Bhd is still on going.*

^ *In the process of Member's Voluntary Winding Up during the financial year.*

As of 31 December 2025, the shares in GPSB with a carrying amount of RM7,064,000 (2024: RM7,064,000) have been pledged as security for outstanding of certain term loans as disclosed in Note 24(c).

(c) Acquisition of subsidiary – Maritime

On 10 June 2024, the wholly-owned subsidiary, Mieco Plantation Sdn. Bhd. (F.K.A. Mieco Reforestation Sdn. Bhd.), acquired the entire issued share capital of Maritime for a purchase consideration of RM10,000. The transfer of shares was completed on 21 August 2024. Consequently, Maritime became an indirect wholly-owned subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) Acquisition of subsidiary – Maritime (Cont'd)

The following summaries the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	Group 2024 RM'000
Biological assets	2,152
Other receivables	1,438
Tax recoverable	76
Other payables	(3,683)
Total identifiable assets and liabilities	(17)

Fair value of consideration transferred and net cash outflows arising from acquisition of a subsidiary

	Group 2024 RM'000
Purchase consideration settled in cash, representing total consideration transferred, and net cash outflow	10

Goodwill arising from business combination

	Group 2024 RM'000
Fair value of consideration transferred	10
Fair value of identifiable assets acquired and liabilities assumed	17
Goodwill	27

Acquisition-related costs

The Group incurred acquisition-related costs of RM7,000 related to external legal fees and due diligence costs. The expenses have been included in administrative expenses in the profit or loss.

Impact of the acquisition on the Statements of Profit or Loss and Other Comprehensive Income

From the date of acquisition, the acquired subsidiary has contributed a loss of RM115,000 to the Group's profit for the financial year and other comprehensive income. There is no contribution to the Group's revenue. If the combination had taken place at the beginning of the financial year, the Group's profit for the financial year would have been a profit of RM1,534,000.

(d) Additional investment in a subsidiary - GPSB

On 26 January 2024, GPSB, a wholly-owned subsidiary of the Company, increased its issued and paid up share capital from 50,000,000 to 70,000,000 ordinary shares by way of issuance of 20,000,000 new ordinary shares for a total consideration of RM20,000,000. The Company had subscribed for the entire increase in the issued and paid up share capital of GPSB, by way of capitalisation of amount due from GPSB.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

10. GOODWILL ON CONSOLIDATION

	Group	
	2025 RM'000	2024 RM'000
At 1 January	27	-
Acquisition of a subsidiary (Note 9(c))	-	27
At 31 December	27	27

(a) Impairment test for goodwill on consolidation

Goodwill on consolidation has been allocated to the Group's cash generating units ("CGUs") identified according to the one segment in which the Group operates, that is, manufacturing and sales of wood based products.

The Group has assessed the recoverable amounts of the goodwill allocated and determined that no impairment is required as the carrying amount of the goodwill are considered immaterial to the Group.

11. OTHER FINANCIAL ASSET

	Group	
	2025 RM'000	2024 RM'000
Keyman life insurance policy		
At 1 January	1,563	725
Addition	-	826
Change in fair value recognised in profit or loss	12	12
At 31 December	1,575	1,563

Other financial asset represents a keyman insurance policy (the "Policy") taken up to insure an executive director of the Group (the "Insured Person"). For any insured events happened to the Insured Person, the insured sum will be payable to the Group. The Policy can be withdrawn at any time with surrender charges if such withdrawal occurs before the maturity date of the Policy and a cash refund will be based on the cash surrender value of the Policy at the date of withdrawal.

As at 31 December 2025, the Directors of the Group expect that the Policy will be terminated at the maturity date and there will be no specific surrender charge in accordance with the terms of the Policy.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

12. AMOUNT DUE FROM/(TO) SUBSIDIARIES

(a) Amount due from subsidiaries

		Company	
	Note	2025 RM'000	2024 RM'000
Non-current			
Non-trade related			
Interest bearing	(i)	45,400	48,622
Current			
Non-trade related			
Non-interest bearing	(ii)	7,426	5,042
		52,826	53,664

(i) Included in the amount due from subsidiaries of the Company are RM45,400,000 (2024: RM48,622,000) which represent unsecured, interest bearing advances at effective interest rate of 2.80% (2024: 3.05%) per annum and repayable after twelve months.

(ii) This represents unsecured, non-interest bearing advances and repayable in 365 days (2024: 365 days).

(b) Amount due (to)/from subsidiaries

		Company	
	Note	2025 RM'000	2024 RM'000
Current			
Non-trade related			
Interest bearing	(i)	(6,117)	-
Non-interest bearing	(ii)	2,362	(911)
		(3,755)	(911)

(i) This represents unsecured, interest-bearing advances at effective interest rate of 2.80% (2024: Nil %) per annum and repayable on demand.

(ii) This represents unsecured, non-interest bearing advances and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

13. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2025 RM'000	2024 RM'000
At 1 January	2,257	3,591
Recognised in profit or loss (Note 29)	2,625	(1,334)
At 31 December	4,882	2,257

The net deferred tax assets and liabilities shown on the statements of financial position are as follows:

	Group	
	2025 RM'000	2024 RM'000
Deferred tax assets	4,986	4,986
Deferred tax liabilities	(104)	(2,729)
	4,882	2,257

13. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The components and movements of the deferred tax assets and liabilities of the Group are as follows:

	Provisions RM'000	Lease liabilities RM'000	Unutilised capital allowances RM'000	Unutilised investment tax allowances RM'000	Unutilised agricultural allowances RM'000	Unused tax losses RM'000	Total RM'000
Group							
Deferred tax assets							
At 1 January 2025	3,042	189	56,728	5,102	3,118	8,224	76,403
Recognised in profit or loss	116	(131)	2,361	9,511	768	719	13,344
Under/(Over) provision in prior year	1	122	(14,526)	(116)	-	12	(14,507)
At 31 December 2025 (before offsetting)	3,159	180	44,563	14,497	3,886	8,955	75,240
Less: Offsetting							(70,254)
At 31 December 2025 (after offsetting)							4,986
At 1 January 2024	3,892	61	56,930	5,102	1,668	9,160	76,813
Recognised in profit or loss	(875)	128	(1,780)	-	1,450	(1,643)	(2,720)
Under provision in prior year	25	-	1,578	-	-	707	2,310
At 31 December 2024 (before offsetting)	3,042	189	56,728	5,102	3,118	8,224	76,403
Less: Offsetting							(71,417)
At 31 December 2024 (after offsetting)							4,986

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

13. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The components and movements of the deferred tax assets and liabilities of the Group are as follows:

	Right-of-use assets RM'000	Accelerated capital allowances RM'000	Fair value adjustment on investment property RM'000	Biological assets RM'000	Total RM'000
Group					
Deferred tax liabilities					
At 1 January 2025	(181)	(70,847)	-	(3,118)	(74,146)
Recognised in profit or loss	235	4,334	-	(1,062)	3,507
Over provision in prior year	(523)	509	-	295	281
At 31 December 2025 (before offsetting)	(469)	(66,004)	-	(3,885)	(70,358)
Less: Offsetting					70,254
At 31 December 2025 (after offsetting)					(104)
At 1 January 2024	(54)	(71,689)	19	(1,498)	(73,222)
Recognised in profit or loss	(127)	2,380	(19)	(1,450)	784
Over provision in prior year	-	(1,538)	-	(170)	(1,708)
At 31 December 2024 (before offsetting)	(181)	(70,847)	-	(3,118)	(74,146)
Less: Offsetting					71,417
At 31 December 2024 (after offsetting)					(2,729)

The deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unutilised capital allowances	12,095	5,618	6	-
Unutilised investment tax allowances	372,778	411,921	-	-
Unused tax losses	43,728	40,903	1,540	284
	428,601	458,442	1,546	284

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

13. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen from subsidiaries that have recent history of losses.

Pursuant to Section 8 of the Finance Act 2021 (Act 833) and the amendment to Section 44(5F) of the Income Tax Act 1967, effective from year of assessment 2019 onwards, the time limit on the carried forward unused tax losses has been extended to maximum of ten (10) consecutive years of assessment. Any unused tax losses accumulated up to the year of assessment 2018 can be carried forward for another ten (10) consecutive years of assessment (ie: from year of assessment 2019 to 2028) under the current tax legislation.

The recognised and unrecognised unused tax losses shall be disregarded after the end of the year of assessment as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
2028	48,819	48,819	284	284
2029	5,393	5,393	-	-
2033	21,011	21,011	-	-
2035	5,819	-	1,256	-
	81,042	75,223	1,540	284

14. INVENTORIES

	Group	
	2025 RM'000	2024 RM'000
Raw materials	11,956	19,156
Work-in-progress	16,863	13,883
Finished goods	23,446	31,631
Spares and consumables	25,191	19,716
	77,456	84,386
Recognised in profit or loss		
Inventories recognised as cost of sales	217,497	228,637
Inventories written down to net realisable value	35	66

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

15. TRADE RECEIVABLES

	Group 2025 RM'000	Group 2024 RM'000
Trade receivables		
- Third parties	40,050	41,194
Less: Accumulated impairment losses	(3,384)	(1,096)
	36,666	40,098

Trade receivables of the Group are non-interest bearing and are generally on 1 to 120 days (2024: 1 to 120 days) terms. Other credit terms are assessed and approved on a case-by case basis. Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables of the Group amounting to RM1,200,000 (2024: RM2,100,000) is secured by bank guarantee made in favour of the Group.

The ageing analysis of trade receivables at the end of the reporting period are as follows:

	Gross amount RM'000	Loss allowance RM'000	Net amount RM'000
Group			
2025			
Not past due	4,961	(8)	4,953
Past due			
Less than 30 days	15,377	(4)	15,373
31 to 60 days	10,604	(21)	10,583
61 to 90 days	3,638	-	3,638
More than 90 days	4,300	(2,181)	2,119
	33,919	(2,206)	31,713
Credit Impaired			
Individually impaired	1,170	(1,170)	-
	40,050	(3,384)	36,666
2024			
Not past due	30,523	(25)	30,498
Past due			
Less than 30 days	4,544	(8)	4,536
31 to 60 days	2,075	(2)	2,073
61 to 90 days	2,067	-	2,067
More than 90 days	925	(1)	924
	9,611	(11)	9,600
Credit Impaired			
Individually impaired	1,060	(1,060)	-
	41,194	(1,096)	40,098

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

15. TRADE RECEIVABLES (CONT'D)

Trade receivables that are not past due nor individually impaired are creditworthy debtors with good payment records with the Group.

As at 31 December 2025, gross trade receivables of RM33,919,000 (2024: RM9,611,000) were past due but not individually impaired. These relate to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM1,170,000 (2024: RM1,060,000). These relate to a number of independent customers that are in financial difficulties and have defaulted on payments.

Movements in the allowance for impairment losses on trade receivables are as follows:

	Lifetime allowance RM'000	Credit impaired RM'000	Loss allowance RM'000
Group			
At 1 January/31 December 2024	36	1,060	1,096
Impairment losses recognised	2,178	114	2,292
Reversal of impairment losses	-	(4)	(4)
31 December 2025	2,214	1,170	3,384

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

16. OTHER RECEIVABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other receivables				
- Third parties	14,076	15,002	302	266
Deposits	9,687	6,619	5	5
Less: Written off	(1)	-	-	-
	9,686	6,619	5	5
Prepayments	2,081	1,605	40	17
Goods and Services Tax receivable	3	3	2	2
	25,846	23,229	349	290
Less: Accumulated impairment losses				
- Other receivables	(8,279)	(8,279)	(54)	(54)
- Deposits	(9)	(9)	-	-
	(8,288)	(8,288)	(54)	(54)
	17,558	14,941	295	236

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

16. OTHER RECEIVABLES (CONT'D)

Movement in the allowance for impairment losses are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	8,288	7,715	54	54
Impairment losses recognised	-	573	-	-
At 31 December	8,288	8,288	54	54

17. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits of the Group amounting to RM15,061,000 (2024: RM13,713,000) were pledged to licensed banks as securities for the banking facilities granted to the Group as disclosed in Note 24(b).

The maturity of the fixed deposits of the Group and of the Company are 365 days and 365 days (2024: 365 days and 365 days) respectively.

The weighted average interest rates of the fixed deposits of the Group and of the Company are as follows:

	Group		Company	
	2025 %	2024 %	2025 %	2024 %
Fixed deposits with licensed banks	1.00 - 2.50	2.43	2.50	2.45

18. ASSETS HELD FOR SALE

	Group	
	2025 RM'000	2024 RM'000
Freehold land and buildings	40,206	15,783
Leasehold land and buildings	39,618	45,158
Investment properties	-	7,465
	79,824	68,406

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

18. ASSETS HELD FOR SALE (CONT'D)

(a) On 10 October 2023, Mieco Manufacturing Sdn. Bhd. ("MMSB"), a wholly-owned subsidiary of the Company, appointed an auctioneer to dispose of its leasehold land and buildings with a carrying amount of RM42,454,000. The auction price was set at RM59,800,000. However, there was no transactions occurred under the auction.

Subsequently, on 20 January 2025, MMSB has entered into a Sale and Purchase Agreement ("SPA") with G-Force Sdn. Bhd. to sell the leasehold land and buildings for a total consideration of RM40,000,000.

The management has estimated the cost of disposal, including legal fees, to be RM300,000. Given that the fair value of the asset, less the estimated costs of disposal, is lower than its net carrying amount, an impairment loss of RM2,754,000 has been recognised in the financial statements.

The Group has received a deposit of RM4,000,000 in respect of the disposal. As at 31 December 2025, the disposal was pending the receipt of the final settlement. Management remained committed to the plan, and the asset continued to meet the criteria for classification as held for sale. The disposal of leasehold land and buildings has subsequently been completed on 30 January 2026.

(b) On 7 May 2024, SYFSB has entered into a SPA with Ecobuild Engineering Sdn. Bhd. to dispose a freehold land and buildings with a carrying amount of RM6,357,000, for a total consideration of RM12,150,000, of which the condition precedent has not been satisfied as at 31 December 2024. The Group has received a deposit of RM1,215,000 in respect of the disposal. The disposal of freehold land and buildings has subsequently been completed on 1 December 2025.

(c) On 30 October 2024, SYFSB has entered into a SPA with two individuals to dispose a freehold land and buildings with a carrying amount of RM9,426,000, for a total consideration of RM15,000,000, of which the condition precedent has not been satisfied as at 31 December 2024. The Group has received a deposit of RM1,500,000 in respect of the disposal. The disposal of freehold land and buildings has subsequently been completed on 14 February 2025.

(d) On 3 December 2024, SYFSB has entered into a SPA with ASP Greentech Sdn. Bhd. to dispose a leasehold land and buildings with a carrying amount of RM4,906,000, for a total consideration of RM7,100,000, of which the condition precedent has not been satisfied as at 31 December 2024. The Group has received a deposit of RM710,000 in respect of the disposal. The disposal of leasehold land and buildings has subsequently been completed on 3 November 2025.

(e) On 3 December 2024, GPSB has entered into a SPA with ASP Greentech Sdn. Bhd. to dispose a leasehold land and buildings with a carrying amount of RM552,000, for a total consideration of RM700,000, of which the condition precedent has not been satisfied as at 31 December 2024. The Group has received a deposit of RM70,000 in respect of the disposal. The disposal of leasehold land and buildings has subsequently been completed on 3 November 2025.

(f) On 19 March 2026, SYFSB has entered into a SPA with Jin Ye Ye Sdn. Bhd. to dispose a freehold building with a carrying amount of RM39,842,200 for a total consideration of RM57,000,000. The disposal of this freehold building is yet to be completed.

(g) On 26 March 2026, SYFSB has entered into a SPA with Ong Timber Enterprise to dispose a freehold land and buildings with a carrying amount of RM364,171 for a total consideration of RM398,000. The Group has received a deposit of RM50,000 in respect of the disposal. The disposal of freehold land and buildings has subsequently been completed on 26 March 2026.

The asset held for sale is measured at lower of fair value less cost of disposal and carrying amount. The fair value of the asset held for sale is determined using observable inputs, specifically the agreed sale price from a SPA with an external counterparty, which reflects market conditions. In determining the fair value of the asset held for sale, management applied the selling price outlined in the signed agreement, as it represents the most reliable estimate of fair value at the reporting date. Adjustments were made only to account for estimated costs directly attributable to the sale transactions.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

19. SHARE CAPITAL

	Group/Company			
	Number of shares		Amount	
	2025 Units ('000)	2024 Units ('000)	2025 RM'000	2024 RM'000
Issued and fully paid ordinary shares				
At 1 January/31 December	1,000,000	1,000,000	276,666	276,666

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

20. RESERVES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-distributable				
Foreign currency translation reserve	(78)	(78)	-	-
Distributable				
Retained earnings	40,161	52,458	155,404	156,768
	40,083	52,380	155,404	156,768

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

21. TRADE PAYABLES

		Group	
	Note	2025 RM'000	2024 RM'000
Non-current			
Trade payables	(i)	10,293	-
Current			
Trade payables		49,759	42,342
		49,759	42,342
		60,052	42,342

(i) This represents unsecured, non-interest bearing amounts repayable to trade creditors after twelve months.

The normal trade credit term granted to the Group range from 1 to 90 days (2024: 1 to 90 days) depending on the terms of the contracts.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

22. OTHER PAYABLES

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current					
Other payables	(i)	-	2,122	-	2,122
Current					
Other payables		56,130	24,011	5	-
Accruals		6,867	5,264	457	441
Deposits received		4,855	6,183	-	-
		67,852	35,458	462	441
		67,852	37,580	462	2,563

(i) This represents unsecured, non-interest bearing advances and repayable after twelve months.

23. LEASE LIABILITIES

	Group	
	2025 RM'000	2024 RM'000
At 1 January	8,942	13,622
Additions	2,198	457
Accretion of interest	540	747
Payments	(4,205)	(5,884)
Termination of lease contracts	(287)	-
At 31 December	7,188	8,942
Presented as:		
Non-current	3,406	5,093
Current	3,782	3,849
	7,188	8,942

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

23. LEASE LIABILITIES (CONT'D)

The maturity analysis of lease liabilities of the Group and of the Company at the end of the reporting period are as follows:

	Group 2025 RM'000	2024 RM'000
Minimum lease payments		
Within one year	3,707	4,014
Later than one year but not later than two years	2,505	3,468
Later than two years but not later than five years	1,622	2,264
	7,834	9,746
Less: Future finance charges	(646)	(804)
Present value of lease liabilities	7,188	8,942

The Group leases various leasehold land and buildings, motor vehicles, plant and machineries, buildings and equipment. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The weighted average incremental borrowing rate applied to lease liabilities of the Group at the reporting date is 3.47% (2024: 3.26%).

24. BANK BORROWINGS

	Group 2025 RM'000	2024 RM'000
Secured		
Bank overdraft	-	1,330
Bankers' acceptance	104,488	112,549
Revolving credit	7,183	14,000
Term loans	62,988	100,920
	174,659	228,799
Non-current		
Term loans	53,569	83,148
Current		
Bank overdraft	-	1,330
Bankers' acceptance	104,488	112,549
Revolving credit	7,183	14,000
Term loans	9,419	17,772
	121,090	145,651
	174,659	228,799

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

24. BANK BORROWINGS (CONT'D)

The bank overdraft, bankers' acceptance, revolving credit and term loans are secured by the followings:

(a) legal charge over freehold land and buildings, leasehold land and buildings and plant and machinery of certain subsidiaries as disclosed in Notes 4(a), 5(a) and 6(b) respectively;

(b) fixed deposits of certain subsidiaries as disclosed in Note 17;

(c) legal charge over shares of a subsidiary, GPSB, as disclosed in Note 9(b);

(d) specific debenture over the new equipment financed by the bank to be installed on the freehold land and buildings of a subsidiary; and

(e) corporate guarantee by the Company.

Maturity of the bank borrowings of the Group are as follows:

	Group	
	2025 RM'000	2024 RM'000
Within one year	121,090	145,651
Between one and two years	10,748	20,229
Between two and five years	28,081	35,853
After five years	14,740	27,066
	174,659	228,799

The weighted average interest rates per annum of the bank borrowings of the Group at the reporting date are as follows:

	Group	
	2025 %	2024 %
Bank overdraft	-	8.18
Bankers' acceptance	4.19	5.46
Revolving credit	5.98	5.95
Term loans	7.19	7.12

As at 31 December 2025, the Group has borrowings amounting to RM126,292,000 (2024: RM160,551,000) that are subjected to covenants. These covenants are associated with the Group's term loan facility and require the Group to maintain a level of certain gearing ratio and tangible net worth, as stipulated by the bank.

As of the reporting date, the Group has complied with all covenants, and no breaches of covenants have occurred.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

25. EMPLOYEE DEFINED BENEFIT PLAN

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Present value of defined benefit obligations	4,577	4,162	170	152

The Group and the Company operate an unfunded retirement benefit for those employees who are eligible under the Group and the Company employment policy. The latest actuarial valuation of the plan was carried out on 12 February 2025.

The movement in the present value of defined benefit obligations of the Group and of the Company are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	4,162	7,603	152	355
Recognised in profit or loss:				
- Current service costs	253	517	12	30
- Past service costs	-	(291)	-	-
- Interest expenses	162	466	6	21
- Effect of changes in financial assumptions	-	(1,028)	-	(164)
Benefits paid by the plan	-	(3,105)	-	(90)
At 31 December	4,577	4,162	170	152

The principal actuarial assumptions at the end of the reporting period are:

	Group		Company	
	2025 %	2024 %	2025 %	2024 %
Discount rate	4.40	4.40	4.40	4.40
Expected rate of salary increases	5.00	5.00	5.00	5.00

At 31 December 2025, the Group's and the Company's weighted average duration of the defined benefit obligation was 12-16 years (2024: 12-16 years) respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

25. EMPLOYEE DEFINED BENEFIT PLAN (CONT'D)

Sensitivity analysis

The effect of changes in the principal actuarial assumptions on the present value of unfunded obligations of the Group and of the Company are as follows:

	Group		Company	
	+1% RM'000	-1% RM'000	+1% RM'000	-1% RM'000
2025				
(Decrease)/Increase of present value of the unfunded obligations				
- Discount rate	(419)	494	(23)	27
- Expected salary	508	(437)	28	(23)
2024				
(Decrease)/Increase of present value of the unfunded obligations				
- Discount rate	(477)	410	(21)	26
- Expected salary	454	(391)	25	(21)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

26. REVENUE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from contracts with customers				
Sale of goods	361,569	407,998	-	-
Management fees from subsidiaries	-	-	2,873	3,077
Total revenue from contracts with customers	361,569	407,998	2,873	3,077
Timing of revenue recognition				
At a point in time	361,569	407,998	-	-
Over time	-	-	2,873	3,077
Total revenue from contracts with customers	361,569	407,998	2,873	3,077

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

26. REVENUE (CONT'D)

Breakdown of Group's revenue from contracts with customers:

	Manufacturing and sales of wood based products 2025 RM'000	2024 RM'000
Geographical market		
Malaysia	346,278	363,615
Hong Kong and China	433	1,310
Others	14,858	43,073
	361,569	407,998

27. FINANCE COSTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest expenses on:				
Bank overdraft	100	274	-	-
Bankers' acceptance	2,914	4,595	-	-
Invoice financing	2,246	1,047	-	-
Revolving credit	1,024	817	-	-
Term loans	6,293	7,608	-	-
Amount due to subsidiary company	-	-	152	-
Lease liabilities	540	747	-	-
	13,117	15,088	152	-

28. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/Profit before taxation is arrived at after charging/(crediting):

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Amortisation of intangible assets	42	42	-	-
Auditors' remuneration				
- Statutory audit	259	259	55	55
- Other	5	5	5	5
Depreciation of:				
- Property, plant and equipment	24,787	22,408	6	9
- Right-of-use assets	4,222	4,786	-	-
Fair value gain on:				
- Investment property	(6,550)	(540)	-	-
- Biological assets	-	(68)	-	-
- Other financial asset	(12)	(12)	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

28. (LOSS)/PROFIT BEFORE TAXATION (CONT'D)

(Loss)/Profit before taxation is arrived at after charging/(crediting): (Cont'd)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Impairment losses on:				
- Asset held for sale	-	2,754	-	-
- Trade receivables	2,292	-	-	-
- Other receivables	-	573	-	-
Deposit written off	1	-	-	-
Inventories written down to net realisable value	35	66	-	-
Leases expenses relating to short-term leases	78	202	-	-
Loss/(Gain) on disposal of:				
- Property, plant and equipment	279	(41)	-	-
- Right-of-use assets	(25)	12	-	-
- Assets held for sale	(18,162)	-	-	-
Non-executive Directors' remuneration				
- Fees	194	197	194	197
- Allowances	32	29	32	29
Provision for employee defined benefit plan	415	692	18	51
Waiver of debts	-	-	-	10
Gain from insurance claims	-	(115)	-	-
Gain on foreign exchange:				
- Realised	(1,315)	(1,296)	-	-
- Unrealised	(30)	(244)	-	-
Gain on termination of lease contract	(7)	-	-	-
Finance costs	13,117	15,088	152	-
Interest income from:				
- Licensed banks	(438)	(426)	-	-
- Subsidiaries	-	-	(1,438)	(1,966)
Rental income	(3,971)	(3,858)	-	-
Reversal of impairment losses on trade receivables	(4)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

29. TAXATION

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Tax expenses recognised in profit or loss				
Malaysian income tax				
Current tax provision	181	223	-	-
Under/(Over) provision in prior year	252	(185)	-	(5)
	433	38	-	(5)
Deferred tax (Note 13)				
Relating to origination and reversal of temporary differences	(16,851)	1,916	-	-
Under/(Over) provision in prior year	14,226	(582)	-	-
	(2,625)	1,334	-	-
Real property gains tax	2,835	-	-	-
	210	1,334	-	-
	643	1,372	-	(5)

Malaysian income tax is calculated at the statutory tax rate of 24% (2024: 24%) of the estimated assessable profits for the financial year.

A reconciliation of income tax expenses applicable to (loss)/profit before tax at the statutory income tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(Loss)/Profit before tax	(11,654)	2,908	(1,364)	(396)
At Malaysian statutory tax rate of 24% (2024: 24%)	(2,797)	698	(327)	(95)
Income not subject to tax	(4,370)	(166)	-	-
Expenses not deductible for tax purposes	978	1,570	24	27
Deferred tax assets not recognised	1,941	1,613	303	68
Utilisation of deferred tax not recognised	(9,103)	(1,576)	-	-
Real property gains tax	2,835	-	-	-
Realisation of revaluation upon disposal of assets	(3,319)	-	-	-
Under/(Over) provision of income tax in prior years	252	(185)	-	(5)
Under/(Over) provision of deferred tax in prior year	14,226	(582)	-	-
Tax expenses for the financial year	643	1,372	-	(5)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

29. TAXATION (CONT'D)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Tax saving arising from utilisation of tax losses not recognised in prior years	-	5,539	-	-

The Group and the Company have the following estimated unutilised capital allowances, unutilised investment tax allowances and unused tax losses available for carry forward to offset against future taxable profits. The said amounts are subject to approval by the tax authorities.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unutilised capital allowances	197,780	222,273	6	-
Unutilised investment tax allowances	433,181	432,696	-	-
Unutilised agricultural allowances	16,191	12,993	-	-
Unused tax losses	81,042	75,223	1,540	284
	728,194	743,185	1,546	284

30. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The basic (loss)/earnings per share are calculated based on the consolidated loss for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2025	2024
(Loss)/Profit attributable to the owners of the parent (RM'000)	(12,297)	1,536
Weighted average number of ordinary shares in issue (in thousand of shares)	1,000,000	1,000,000
Basic (loss)/earnings per ordinary share (sen)	(1.23)	0.15

(b) Diluted (loss)/earnings per share

The Group has no dilution in their (loss)/earnings per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the reporting period and before the authorisation of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

31. STAFF COSTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Salaries, wages and other emoluments	28,120	32,798	4,097	4,155
Defined contribution plans	1,802	1,915	502	497
Employee defined benefit plans	415	692	18	51
Social security contributions	434	403	14	13
Other benefits	4,302	4,953	173	159
	35,073	40,761	4,804	4,875

The staff costs of the Group and of the Company do not include the estimated monetary value of benefit-in-kind amounting to RM28,000 and RM28,000 (2024: RM28,000 and RM28,000) respectively.

Included in the staff costs above is aggregate amount of remuneration received/receivable by the Executive Directors of the Group and of the Company during the financial year as below:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Executive Directors of the Company				
Salaries and other emoluments	3,262	3,477	3,262	3,477
Defined contribution plans	387	412	387	412
Social security contributions	2	4	2	4
	3,651	3,893	3,651	3,893
Executive Directors of the subsidiaries				
Salaries and other emoluments	184	184	-	-
Defined contribution plans	22	22	-	-
Social security contributions	1	1	-	-
	207	207	-	-
Total remuneration of Executive Directors				
Company's Directors	3,651	3,893	3,651	3,893
Subsidiaries' Directors	207	207	-	-
	3,858	4,100	3,651	3,893

The Directors' remuneration of the Group and of the Company does not include the estimated monetary value of benefit-in-kind amounting to RM28,000 and RM28,000 (2024: RM28,000 and RM28,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
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32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below shows the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	Note	At 1 January RM'000	Financing cash flows (i) RM'000	New lease [Note 5(d)] RM'000	Other changes (ii) RM'000	At 31 December RM'000
Group						
2025						
Lease liabilities	23	8,942	(3,665)	2,198	(287)	7,188
Bankers' acceptance	24	112,549	(8,061)	-	-	104,488
Revolving credit	24	14,000	(6,817)	-	-	7,183
Term loans	24	100,920	(37,932)	-	-	62,988
		236,411	(56,475)	2,198	(287)	181,847
2024						
Lease liabilities	23	13,622	(5,137)	457	-	8,942
Bankers' acceptance	24	83,019	29,530	-	-	112,549
Revolving credit	24	14,000	-	-	-	14,000
Term loans	24	113,072	(12,152)	-	-	100,920
		223,713	12,241	457	-	236,411

	Note	At 1 January RM'000	Financing cash flows (i) RM'000	At 31 December RM'000
Company				
2025				
Amount due to subsidiaries	12	911	2,844	3,755
2024				
Amount due to subsidiaries	12	911	-	911

(i) The financing cash flows include the net amount of (repayment to)/proceeds from bankers' acceptance, revolving credit and term loans, payment of lease liabilities and net amount of advances from subsidiaries in the statements of cash flows.

(ii) Other changes include termination of lease contracts.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

33. FINANCIAL GUARANTEES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unsecured				
Corporate guarantee given to licensed banks for banking facilities granted to subsidiaries	-	-	174,659	228,799
Secured				
Banker's guarantee in favour of third parties	5,355	5,972	-	-

The Group has provided financial guarantee amounted to RM5,346,000 (2024: RM5,516,000) to Tenaga Nasional Berhad for the rental of certain electricity equipment and for the supply of electricity.

34. CAPITAL COMMITMENTS

	Group	
	2025 RM'000	2024 RM'000
Approved and contracted for:		
Purchase of property, plant and equipment	2,943	2,943

35. RELATED PARTY DISCLOSURES

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group or of the Company either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

35. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant related party transactions

Related party transactions have been entered into the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the Group and the Company have the following transactions with related parties during the financial year:

	2025 RM'000	2024 RM'000
Group		
Transactions with companies in which certain Directors of the Company are also the Directors and/or shareholders that have substantial financial interests		
Lease expenses paid/payable	96	96
Transaction with a Director of the Company		
Lease expenses paid/payable	-	190
Company		
Transactions with subsidiaries		
Interest on advances received/receivable	1,438	1,966
Management fee received/receivable	2,873	3,077
Waiver of debts	-	10

(c) Compensation of key management personnel

Information regarding compensation of key management personnel are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fees	194	197	194	197
Salaries and other emoluments	4,002	4,266	3,470	3,506
Defined contribution plans	472	493	408	412
Social security contributions	7	9	4	4
	4,675	4,965	4,076	4,119

The Directors' remuneration of the Group and of the Company does not include the estimated monetary value of benefit-in-kind amounting to RM28,000 and RM28,000 (2024: RM28,000 and RM28,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

36. SEGMENT INFORMATION

The Group operates principally within one segment, that is, manufacturing and sales of wood based products. Other operation of the Group comprises investment holding which is not of sufficient size to be reported separately. This is consistent with the internally generated reports reviewed by Board of Directors to make strategic decisions.

Geographical segments

Revenue and addition to non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Total assets		Capital expenditure*	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group						
Malaysia	346,278	363,615	631,238	653,600	28,866	12,761
Hong Kong and China	433	1,310	-	-	-	-
Others	14,858	43,073	-	-	-	-
	361,569	407,998	631,238	653,600	28,866	12,761

* Capital expenditure consist of addition of property, plant and equipment, right-of-use assets and investment properties.

Information about major customers

For Malaysia segment, revenue from one customer (2024: Nil) represented approximately RM38,113,000 (2024: Nil) for the Group's total revenue.

37. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses are recognised.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Financial assets at FVTPL RM'000	Financial assets at amortised cost RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Group				
2025				
Financial assets				
Other financial asset	1,575	-	-	1,575
Trade receivables	-	36,666	-	36,666
Other receivables*	-	15,474	-	15,474
Fixed deposits with licensed banks	-	15,240	-	15,240
Cash and bank balances	-	16,176	-	16,176
	1,575	83,556	-	85,131
Financial liabilities				
Trade payables	-	-	60,052	60,052
Other payables	-	-	67,852	67,852
Lease liabilities	-	-	7,188	7,188
Bank borrowings	-	-	174,659	174,659
	-	-	309,751	309,751
2024				
Financial assets				
Other financial assets	1,563	-	-	1,563
Trade receivables	-	40,098	-	40,098
Other receivables*	-	13,333	-	13,333
Fixed deposits with licensed banks	-	13,884	-	13,884
Cash and bank balances	-	9,856	-	9,856
	1,563	77,171	-	78,734
Financial liabilities				
Trade payables	-	-	42,342	42,342
Other payables	-	-	37,580	37,580
Lease liabilities	-	-	8,942	8,942
Bank borrowings	-	-	228,799	228,799
	-	-	317,663	317,663

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	Financial assets at amortised cost RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Company			
2025			
Financial assets			
Other receivables*	253	-	253
Amount due from subsidiaries	52,826	-	52,826
Fixed deposits with licensed banks	180	-	180
Cash and bank balances	49	-	49
	53,308	-	53,308
Financial liabilities			
Other payables	-	462	462
Amount due to subsidiaries	-	3,755	3,755
	-	4,217	4,217
2024			
Financial assets			
Other receivables*	217	-	217
Amount due from subsidiaries	53,664	-	53,664
Fixed deposits with licensed banks	171	-	171
Cash and bank balances	95	-	95
	54,147	-	54,147
Financial liabilities			
Other payables	-	2,563	2,563
Amount due to subsidiaries	-	911	911
	-	3,474	3,474

* Exclude prepayments and Goods and Services Tax receivable

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its trade and other receivables and deposits with banks. The Company's exposure to credit risk arises principally from deposits with banks, amount due from subsidiaries and financial guarantees given to licensed banks for banking facilities granted to certain subsidiaries. There are no significant changes as compared to prior year.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured advances to its subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

At each reporting date, the Group assesses whether any of the receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the reporting period represents the Group's and the Company's maximum exposure to credit risk.

The Group's credit exposures are concentrated mainly on 2 (2024: 2) debtors, which accounted for 39% (2024: 36%) of total trade receivables balance at the end of the reporting period. There are no other customers which individually represents more than 10% of the total trade receivables balance. The Company has no significant concentration of credit risks except for advances to its subsidiaries where risks of default have been assessed to be low.

Financial guarantees

The Company provides unsecured financial guarantees to licensed banks for credit facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

The Company's maximum exposure to credit risk is RM174,659,000 (2024: RM228,799,000), representing the outstanding credit facilities of the subsidiaries at the end of the reporting period. There was no indication that any subsidiary would default on repayment at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group and the Company also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements. The Group monitors compliance with financial covenants regularly as part of its risk management framework. Any breach could require accelerated repayment or renegotiation of terms.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	After 5 years RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
Group						
2025						
Non-derivative financial liabilities						
Trade payables	49,759	10,293	-	-	60,052	60,052
Other payables	67,852	-	-	-	67,852	67,852
Lease liabilities	3,707	2,505	1,622	-	7,834	7,188
Bank borrowings	125,179	14,139	33,919	16,162	189,399	174,659
Financial guarantees* (Note 33)	5,355	-	-	-	5,355	-
	251,852	26,937	35,541	16,162	330,492	309,751
2024						
Non-derivative financial liabilities						
Trade payables	42,342	-	-	-	42,342	42,342
Other payables	35,458	2,122	-	-	37,580	37,580
Lease liabilities	4,014	3,468	2,264	-	9,746	8,942
Bank borrowings	152,201	25,440	45,108	30,428	253,177	228,799
Financial guarantees* (Note 33)	5,972	-	-	-	5,972	-
	239,987	31,030	47,372	30,428	348,817	317,663

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand or within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	After 5 years RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
Company						
2025						
Non-derivative financial liabilities						
Other payables	462	-	-	-	462	462
Amount due to subsidiaries	3,755	-	-	-	3,755	3,755
Financial guarantees* (Note 33)	174,659	-	-	-	174,659	-
	178,876	-	-	-	178,876	4,217
2024						
Non-derivative financial liabilities						
Other payables	441	2,122	-	-	2,563	2,563
Amount due to subsidiaries	911	-	-	-	911	911
Financial guarantees* (Note 33)	228,799	-	-	-	228,799	-
	230,151	2,122	-	-	232,273	3,474

* Based on the maximum amount that can be called for under the financial guarantee contracts.

(iii) Market risks

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Euro ("EUR"), Chinese Renminbi ("RMB"), Hong Kong Dollar ("HKD") and Singapore Dollar ("SGD").

The Group's objective is to mitigate foreign exchange exposure to an acceptable level against pre-determined limits and impact to the statements of profit or loss and other comprehensive income. The Group monitors its foreign currency denominated assets and liabilities and uses hedging instrument such as forward contracts as well as maintaining funds in foreign currencies at appropriate levels to support operating cash flows requirement. The Group's policy requires all transactions for hedging foreign currency exchange risk exposure be executed within the parameters approved by the Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(a) Foreign currency risk (Cont'd)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Denominated in					
	USD RM'000	EUR RM'000	RMB RM'000	HKD RM'000	SGD RM'000	Total RM'000
Group						
2025						
Monetary assets						
Trade receivables	1,013	-	-	-	-	1,013
Other receivables	337	8	228	-	-	573
Cash and bank balances	176	-	1	-	-	177
Monetary liabilities						
Trade payables	216	233	522	3	13	987
Other payables	1,036	-	-	-	-	1,036
	2,778	241	751	3	13	3,786

	Denominated in				
	USD RM'000	EUR RM'000	RMB RM'000	SGD RM'000	Total RM'000
Group					
2024					
Monetary assets					
Trade receivables	6,445	-	7,755	-	14,200
Other receivables	7,084	768	-	-	7,852
Cash and bank balances	809	-	1	-	810
Monetary liabilities					
Trade payables	(201)	(217)	(966)	-	(1,384)
Other payables	(1,036)	-	-	(26)	(1,062)
	13,101	551	6,790	(26)	20,416

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(a) Foreign currency risk (Cont'd)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows: (Cont'd)

Foreign currency risk sensitivity

The following table demonstrates the sensitivity of the Group's loss before tax to a reasonably possible change in the USD, EUR, RMB, HKD and SGD exchange rates against RM with all other variables held constant.

	Effects on loss before tax 2025 RM'000	2024 RM'000
Group		
Change in currency rate		
USD		
- Strengthened by 5% (2024: 5%)	139	655
- Weakened by 5% (2024: 5%)	(139)	(655)
EUR		
- Strengthened by 5% (2024: 5%)	12	28
- Weakened by 5% (2024: 5%)	(12)	(28)
RMB		
- Strengthened by 5% (2024: 5%)	38	340
- Weakened by 5% (2023: 5%)	(38)	(340)
HKD		
- Strengthened by 5% (2024: 5%)	*	-
- Weakened by 5% (2024: 5%)	*	-
SGD		
- Strengthened by 5% (2024: 5%)	1	(1)
- Weakened by 5% (2024: 5%)	(1)	1

* Less than RM1,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates.

The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts at the end of the reporting period was:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fixed rate instruments:				
Financial asset				
Fixed deposits with licensed banks	15,240	13,884	180	171
Financial liabilities				
Lease liabilities	(7,188)	(8,942)	-	-
	8,052	4,942	180	171
Floating rate instruments:				
Financial asset				
Amount due from subsidiaries	-	-	45,400	48,622
Financial liabilities				
Bank overdraft	-	(1,330)	-	-
Bankers' acceptance	(104,488)	(112,549)	-	-
Revolving credit	(7,183)	(14,000)	-	-
Term loans	(62,988)	(100,920)	-	-
Amount due to subsidiaries	-	-	(6,117)	-
	(174,659)	(228,799)	(6,117)	-
	(174,659)	(228,799)	39,283	48,622

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(b) Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's (loss)/profit before taxation by RM1,747,000 (2024: RM2,288,000) and (decreased)/increased the Company's loss before taxation by RM393,000 (2024: RM486,000) respectively, arising mainly as a result of higher/lower interest expense on floating rate loans and borrowings and lower/higher interest income on floating rate loan and advances respectively. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The carrying amount of long-term floating rate borrowings approximate their fair value as the borrowings will be re-priced to market interest rate on or near reporting date.

It was not practicable to estimate the fair value of investment in unquoted equity due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

The table below analyses financial instruments carried at fair value, together with their fair value and carrying amount shown in the statements of financial position.

	Fair value of financial instruments carried at fair value				Carrying
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	amount RM'000
Group					
2025					
Financial asset					
Other financial assets	-	-	1,575	1,575	1,575
2024					
Financial asset					
Other financial assets	-	-	1,563	1,563	1,563

The fair value of the other financial asset represents keyman insurance contract purchased for a key management personnel of the Group is determined based on the cash surrender value in accordance with the keyman insurance policy which is not an observable input The fair value of the keyman insurance was estimated by reference to the cash surrender value set out in the keyman insurance policy.

Transfer between levels of fair value hierarchy

There is no transfer between levels of fair value hierarchy during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

38. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total equity. The Group and the Company include within net debt, lease liabilities and bank borrowings less cash and bank balances. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants. The gearing ratios at the end of the reporting period are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Lease liabilities	7,188	8,942	-	-
Bankers' acceptance	104,488	112,549	-	-
Revolving credit	7,183	14,000	-	-
Term loans	62,988	100,920	-	-
	181,847	236,411	-	-
Less: Cash and cash equivalents	(16,355)	(8,697)	(229)	(266)
Net debt/(Excess fund)	165,492	227,714	(229)	(266)
Total equity	316,749	329,046	432,070	433,434
Gross gearing ratio (times)	0.57	0.72	*	*
Net gearing ratio (times)	0.52	0.69	*	*

* The gearing ratio of the Company at the end of the reporting period is not applicable as its cash and bank balances are sufficient to cover the entire obligation.

The Group is subject to certain externally imposed requirements in the form of loan covenants. The Group monitors gearing ratios and compliance with loan covenants based on the terms of the respective loan agreements. The Group and the Company have complied with loan covenants during and as at the financial year.

There were no changes in the Group's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2025

39. SUBSEQUENT EVENTS

Subsequent to the financial year, the following subsequent events took place for the subsidiaries:

(a) On 20 January 2025, MMSB has entered into a Sale and Purchase Agreement ("SPA") with G-Force Sdn. Bhd. to sell the leasehold land and buildings for a total consideration of RM40,000,000.

The management has estimated the cost of disposal, including legal fees, to be RM300,000. Given that the fair value of the asset, less the estimated costs of disposal, is lower than its net carrying amount, an impairment loss of RM2,754,000 has been recognised in the financial statements.

The Group has received a deposit of RM4,000,000 in respect of the disposal. The disposal of leasehold land and buildings has subsequently been completed on 30 January 2026 as disclosed in Note 18.

(b) On 19 March 2026, SYFSB has entered into a SPA with Jin Ye Ye Sdn. Bhd. to dispose a freehold building with a carrying amount of RM39,842,200 for a total consideration of RM57,000,000. The disposal of this freehold building is yet to be completed, as disclosed in Note 18.

(c) On 26 March 2026, SYFSB has entered into a SPA with Ong Timber Enterprise to dispose a freehold land and buildings with a carrying amount of RM364,171 for a total consideration of RM398,000. The Group has received a deposit of RM50,000 in respect of the disposal. The disposal of freehold land and buildings has subsequently been completed on 26 March 2026, as disclosed in Note 18.

40. DATE OF AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 7 April 2026.

ANALYSIS OF SHAREHOLDINGS
AS AT 9 APRIL 2026

Issued and Fully Paid-Up Capital	:	999,999,966 shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	1 vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	% of Holders	No. of Shares	% of Shares
Less than 100	770	22.65	22,824	0.00
100 – 1,000	355	10.44	141,727	0.01
1,001 – 10,000	1,351	39.75	6,821,483	0.68
10,001 – 100,000	747	21.98	20,717,680	2.07
100,001 and above	153	4.50	395,993,933	39.60
Director's Shareholdings	23	0.68	576,302,319	57.63
Total	3,399	100.00	999,999,966	100.00

DIRECTORS' INTEREST IN SHARES BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS

	Direct Interest		Indirect Interest	
	Shareholding	%	Shareholding	%
In the Company				
Dato' Sri Ng Ah Chai	563,652,319	56.37	-	-
Ng Wei Ping	12,650,000	1.27	-	-

SUBSTANTIAL SHAREHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Indirect Interest	
Dato' Sri Ng Ah Chai	563,652,319	56.37	-	-
Gan Boon Tian	69,791,200	6.98	-	-

THIRTY (30) MAJOR SHAREHOLDERS BASED ON THE RECORD OF DEPOSITORS

	Name	Shareholding	%
1)	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR NG AH CHAI*	124,960,000	12.50
2)	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR NG AH CHAI*	82,000,000	8.20
3)	M & A NOMINEE (TEMPATAN) SDN BHD *INSAS CREDIT & LEASING SDN BHD FOR NG AH CHAI*	63,000,000	6.30
4)	AMSEC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR NG AH CHAI (SMART)*	40,000,000	4.00

ANALYSIS OF SHAREHOLDINGS (CONT'D)
AS AT 9 APRIL 2026

THIRTY (30) MAJOR SHAREHOLDERS BASED ON THE RECORD OF DEPOSITORS (CONT'D)

	Name	Shareholding	%
5)	M & A NOMINEE (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR NG AH CHAI (M&A)*	38,195,900	3.82
6)	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR NG AH CHAI (8103749)*	32,450,000	3.25
7)	CIMSEC NOMINEES (TEMPATAN) SDN BHD *CIMB FOR NG AH CHAI (PB)*	31,400,000	3.14
8)	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR NG AH CHAI (7000786)*	26,900,000	2.69
9)	CITIGROUP NOMINEES (ASING) SDN BHD *EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 22)*	23,638,600	2.36
10)	MAYBANK INVESTMENT BANK BERHAD *IVT (15) ECD D1-H*	22,500,000	2.25
11)	RHB NOMINEES (TEMPATAN) SDN BHD *OSK CAPITAL SDN BHD FOR NG AH CHAI*	20,000,000	2.00
12)	M & A NOMINEE (TEMPATAN) SDN BHD *AL RAJHI BANKING & INVESTMENT CORPORATION (MALAYSIA) BHD* *PLEDGED SECURITIES ACCOUNT FOR CHIAU BENG TEIK*	19,300,000	1.93
13)	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR CHIAU BENG TEIK (MY2975)*	17,219,800	1.72
14)	CIMSEC NOMINEES (TEMPATAN) SDN BHD *CIMB FOR DATO' ONG CHOON MENG (PB)*	17,000,000	1.70
15)	MBSB INVESTMENT NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR NG AH CHAI (MGN-NAC003M)*	16,910,000	1.69
16)	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR NG AH CHAI (001)*	16,212,000	1.62
17)	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR NG AH CHAI*	15,900,000	1.59
18)	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR GAN BOON TIAN*	14,593,500	1.46
19)	APEX NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR NG AH CHAI (MARGIN)*	14,489,200	1.45
20)	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR GAN BOON TIAN*	13,582,600	1.36

ANALYSIS OF SHAREHOLDINGS (CONT'D)
AS AT 9 APRIL 2026

THIRTY (30) MAJOR SHAREHOLDERS BASED ON THE RECORD OF DEPOSITORS (CONT'D)

	Name	Shareholding	%
21)	MBSB INVESTMENT NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR JASON KOH JIAN HUI (MGN-KJH0001M)*	13,435,000	1.34
22)	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR GAN BOON TIAN (MY4428)*	12,500,000	1.25
23)	AMSEC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT – AMBANK (M) BERHAD FOR NG WEI PING (SMART)*	12,000,000	1.20
24)	TA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR GAN BOON TIAN*	11,119,100	1.11
25)	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR HII CHII KOK @ HII CHEE KOK (MY1723)*	10,000,000	1.00
26)	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR GAN BOON TIAN*	10,000,000	1.00
27)	MBSB INVESTMENT NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR NG MIN LIN (MGN-NML0003M)*	9,400,000	0.94
28)	AMSEC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR ONG TZU CHUEN*	8,850,000	0.89
29)	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR DATO' ONG CHOON MENG (MY3273)*	8,700,000	0.87
30)	AMSEC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR NG AH CHAI*	8,400,000	0.84

LIST OF PROPERTIES
AS AT 31 DECEMBER 2025

Location	Tenure	Land area	Description	Approximate age of building (Years)	Net book value RM'000	Acquisition date	Balance of lease by year
Mieco Manufacturing Sdn Bhd Lot 73, Gebeng Industrial Area 26080 Kuantan Pahang Darul Makmur	Lease expiring 18.08.2048	653,670 sq.ft.	Warehouse & Industrial Land	10	9,741	26.10.1999	23
Mieco Manufacturing Sdn Bhd Lot 74, Gebeng Industrial Area 26080 Kuantan Pahang Darul Makmur	Lease expiring 22.02.2097	1,254,528 sq.ft.	Chipboard Factory & Industrial Land	23-31	29,959	24.08.1995	72
Mieco Manufacturing Sdn Bhd Lot 3, Kawasan Perindustrian Kechau Tui, 27100 Lipis Pahang Darul Makmur	Lease expiring 2104	2,178,000 sq.ft.	Chipboard Factory & Industrial Land	21	74,933	05.12.2004	79
Mieco Manufacturing Sdn Bhd Lot 27, Kawasan Perindustrian Kechau Tui, Lipis Pahang Darul Makmur	Lease expiring 20.12.2105	158,253 sq.ft.	Industrial Land	N/A	191	20.12.2006	80
Mieco Manufacturing Sdn Bhd Lot 28, Kawasan Perindustrian Kechau Tui, Lipis Pahang Darul Makmur	Lease expiring 20.12.2105	299,257 sq.ft.	Industrial Land	N/A	362	20.12.2006	80
Mieco Manufacturing Sdn Bhd Lot 29, Kawasan Perindustrian Kechau Tui, Lipis Pahang Darul Makmur	Lease expiring 20.12.2105	304,484 sq.ft.	Industrial Land	N/A	368	20.12.2006	80
Mieco Manufacturing Sdn Bhd Lot 30, Kawasan Perindustrian Kechau Tui, Lipis Pahang Darul Makmur	Lease expiring 20.12.2105	281,398 sq.ft.	Industrial Land	N/A	340	20.12.2006	80

LIST OF PROPERTIES (CONT'D)
AS AT 31 DECEMBER 2025

Location	Tenure	Land area	Description	Approximate age of building (Years)	Net book value RM'000	Acquisition date	Balance of lease by year
Mieco Manufacturing Sdn Bhd Lot 26, 27A & Lot Jalan Kawasan Perindustrian Padang Tengku, Kechau Tui, Lipis Pahang Darul Makmur	Lease expiring 18.11.2121	594,594 sq.ft.	Industrial Land & Road	N/A	2,915	18.11.2022	96
Great Platform Sdn Bhd Lot 7056, Pekan Simpang Pertang 72300 Daerah Jelebu Negeri Sembilan	Lease expiring 18.06.2094	281,692 sq.ft.	Land, Office, Factory and Warehouse	12	10,257	15.11.2013	69
Great Platform Sdn Bhd Lot 436, 437 & 488 Lot 152, 487, 489 & 490 Jalan Bahau, Rompin 73500 Bahau Negeri Sembilan	Freehold	1,744,152 sq.ft.	Land, Office, Factory and Warehouse	9	34,384	10.06.2016	N/A
Great Platform Sdn Bhd Batu 103, Jalan Klian Intan 33310 Gerik, Perak	Freehold	934,523 sq.ft.	Land, Office, Factory and Warehouse (Renting)	9	25,000	13.01.2017	N/A
Great Platform Sdn Bhd Lot 4657, Pekan Simpang Pertang 72300 Daerah Jelebu Negeri Sembilan	Lease expiring 18.06.2089	145,550 sq.ft.	Industrial Land	N/A	497	06.04.2017	64
Seng Yip Furniture Sdn Bhd Lot 30871, Mukim Semenyih Jalan Sungai Lalang 43500 Semenyih Selangor	Freehold	186,834 sq.ft.	Land, Office, Factory and Warehouse	15	12,032	11.01.2005	N/A

LIST OF PROPERTIES (CONT'D)
AS AT 31 DECEMBER 2025

Location	Tenure	Land area	Description	Approximate age of building (Years)	Net book value RM'000	Acquisition date	Balance of lease by year
Seng Yip Furniture Sdn Bhd Lot 30872, Mukim Semenyih Jalan Sungai Lalang 43500 Semenyih Selangor	Freehold	550,869 sq.ft.	Land, Factory and Warehouse	15	27,810	11.01.2005	N/A
Seng Yip Furniture Sdn Bhd Lot 4660, Pekan Simpang Pertang Daerah Jelebu Negeri Sembilan	Leasehold expiring on 18.06.2089	90,527 sq.ft.	Land and Factory	7-28	695	01.03.2013	64
Seng Yip Furniture Sdn Bhd Lot 4664 , Pekan Simpang Pertang Daerah Jelebu Negeri Sembilan	Leasehold expiring on 18.06.2089	109,343 sq.ft.	Vacant Land	N/A	839	19.11.2015	64

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-Third Annual General Meeting ("53rd AGM") of Mieco Chipboard Berhad ("MIECO" or the "Company") will be held at Emerald 2, Level 1, RHR Hotel, Wisma MKH, Jalan Semenyih, 43000 Kajang, Selangor on Friday, 29 May 2026 at 10:00 a.m.

AGENDA

1.	To receive the Audited Financial Statements for the financial year ended 31 December 2025 and the Reports of the Directors and Auditors thereon.	[Please refer to Explanatory Note (a)]
2.	To note the retirement of Mr. Cheam Tow Yong, who has served as an Independent Non-Executive Director for a cumulative term of nine (9) years and has decided not to seek re-election at this AGM.	[Please refer to Explanatory Note (b)]

AS ORDINARY BUSINESS

3.	To approve the Payment of Directors' fees and benefits to the Non-Executive Directors up to an amount of RM350,000.00 from 30 May 2026 until the next AGM of the Company.	Ordinary Resolution 1
4.	To re-elect the following Directors retiring in accordance with Clause 103 of the Company's Constitution and who, being eligible, offer themselves for re-election:	
	(i) Datuk Dr. Roslan Bin A. Ghaffar	Ordinary Resolution 2
	(ii) Dato' Sri Ng Ah Chai	Ordinary Resolution 3
5.	To re-elect Datuk Chua Hock Gee, the Director who is retiring pursuant to Clause 110 of the Company's Constitution, and being eligible, offer himself for re-election.	Ordinary Resolution 4
6.	To re-appoint UHY Malaysia PLT as auditors of the Company and to authorise the Board of Directors to fix their remuneration.	Ordinary Resolution 5

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary and Special Resolutions with or without modifications:

7. **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS**

"THAT, subject always to the Companies Act 2016 (the "Act"), the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to Section 75 and Section 76 of the Act, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being; — Ordinary Resolution 6

THAT pursuant to Section 85 of the Act to be read together with Clause 61 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act;

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so be issued on Bursa Malaysia Securities Berhad ("Bursa Securities");

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company."

8. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**

"THAT, subject always to the Act, the provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company, provided that: *Ordinary Resolution 7*

(i) the aggregate number of shares purchased does not exceed 10% of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase(s);

(ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest Audited Financial Statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s); and

(iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends;

THAT the authority conferred by this Resolution shall commence immediately and shall continue to be in force until the conclusion of the next AGM of the Company following the passing of this Ordinary Resolution, unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting;

AND THAT authority be and is hereby given to the Directors of the Company to act and take all such steps and do all things as are necessary or expedient to implement, finalise and give full effect to the aforesaid purchase."

9. **PROPOSED CHANGE OF COMPANY'S NAME FROM 'MIECO CHIPBOARD BERHAD' TO 'MIECO BERHAD' ("PROPOSED CHANGE OF COMPANY'S NAME")**

"THAT the name of the Company be changed from 'Mieco Chipboard Berhad' to 'Mieco Berhad' effective from the date of issuance of the Notice of Registration of New Name by the Companies Commission of Malaysia to the Company; *Special Resolution 1*

AND THAT the Directors and/or Secretary of the Company be and are hereby authorised and empowered to carry out all the necessary steps and formalities in effecting the Proposed Change of Company's Name."

10. To transact any other business of which due notice shall have been given.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

By Order of the Board

NG GEOK LIAN (LS 0007155)
SSM Practicing Certificate No. 201908002080
COMPANY SECRETARY

Cheras, Selangor.
30 April 2026

NOTES:

1. A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.

2. A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.

3. A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.

4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

5. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owner in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account its holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

6. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, the Form of Proxy must be executed under the corporation's seal or under the hand of an officer or attorney duly authorised.

7. The instrument appointing a proxy must be deposited at the Company's Share Registrar, Metra Management Sdn. Bhd. at 35th Floor, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur ("Share Registrar Office") not less than 48 hours before the time for holding the 53rd AGM or at any adjournment thereof, either by hand or post to the Share Registrar Office or email to **metrasrd@metra.com.my**. In the case where the instrument appointing a proxy is delivered by email, the original instrument appointing a proxy shall also be deposited at the Share Registrar Office, either by hand or post not less than 48 hours before the time for holding the 53rd AGM or at any adjournment thereof.

8. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors ("ROD") as at 20 May 2026 and only a Depositor whose name appears on such ROD shall be entitled to attend this meeting or appoint proxy to attend and/or vote in his/her behalf.

9. Pursuant to Paragraph 8.29A of Main Market Listing Requirements of Bursa Securities, all resolutions set out in the Notice of 53rd AGM will be put to vote on a poll.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes on Ordinary and Special Business:

a. **Item 1 of the Agenda**

This Agenda item is meant for discussion only. The provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements, hence, this Agenda item is not put forward for voting.

b. **Item 2 of the Agenda**

Mr. Cheam Tow Yong will retire at the conclusion of the 53rd AGM and has indicated that he will not be seeking re-election. The Board wishes to place on record its sincere appreciation for his dedicated service and significant contributions to the Company. His retirement is consistent with the Malaysian Code on Corporate Governance on the recommended tenure limit of nine (9) years for Independent Directors.

c. **Ordinary Resolution 1: To Approve the Payment of Directors' Fees and Benefits Payable**

Section 230(1) of the Act provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company shall be approved at a general meeting.

The total estimated Directors' fees and benefits payable to Non-Executive Directors are calculated based on the current Board of Directors ("Board") size and the number of scheduled meetings for the period from 30 May 2026, being the day after the 53rd AGM until the next AGM and other benefits.

In the event that the proposed Directors' fees and benefits payable to Non-Executive Directors are insufficient due to enlarged size of the board of directors, approval will be sought at the next AGM for additional Directors' fees and benefits to meet the shortfall.

The proposed Resolution 1, if passed, will facilitate the payment of Directors' fees and benefits to Non-Executive Directors on a monthly basis and/or as and when required. The Board is of the view that Directors should be paid such fees and meeting allowances upon them discharging their responsibilities and rendering their services to the Company. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next AGM of the Company.

d. **Ordinary Resolutions 2, 3 and 4: Re-election of Directors**

The performance, effectiveness and independence of each Director who is recommended for re-election have been assessed through the Board annual evaluation/election process as new board member (as the case may be). The Nomination and Remuneration Committee ("NRC") has also conducted an assessment on the fitness and properness of the retiring Directors including the review of their fit and proper assessment declarations in accordance with the Fit and Proper Policy of the Company. The NRC and the Board are satisfied with the performance, effectiveness, fitness and independence (as the case may be) of Datuk Dr. Roslan Bin A. Ghaffar, Dato' Sri Ng Ah Chai and Datuk Chua Hock Gee who are due for retirement as Directors, and being eligible, have offered themselves for re-election at the 53rd AGM.

The profiles of Directors who are standing for re-election are set out in the Directors' Profile of Annual Report 2025.

e. **Ordinary Resolution 5: Re-appointment of Auditors**

The Audit Committee ("AC") had undertaken an annual assessment of the external auditors, UHY Malaysia PLT ("UHY") on their independence, scope of audit, audit fee, expertise and experience, performance based on annual audit scope and planning. The AC was satisfied with the suitability of UHY on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Company and recommended the re-appointment of UHY to the Board for their recommendation to the shareholders for re-appointment at the 53rd AGM until the conclusion of the next AGM.

The Board had endorsed the re-appointment of Auditors.

The proposed Resolution 5, if passed, will also give the Directors of the Company, the authority to determine the remuneration of the Auditors.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

f. **Ordinary Resolution 6: Authority to Issue Shares pursuant to the Companies Act 2016 and Waiver of Pre-emptive Rights**

The Company had been granted a general mandate by its shareholders at the 52nd AGM of the Company held on 29 May 2025 to issue shares pursuant to the Act.

The Company wishes to renew the mandate on the authority granted to the Directors to issue and allot shares pursuant to the Act at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being.

The general mandate will provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the funding of the Company's future investment projects, working capital and/or acquisitions, by the issuance of shares in the Company to such persons at any time as the Directors may deem fit, without incurring any further cost to convene a separate general meeting to approve such authority. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, the Company has not issued any new shares pursuant to the general mandate granted to the Directors at the 52nd AGM held on 29 May 2025 and which will lapse at the conclusion of the 53rd AGM.

Pursuant to Section 85 of the Act read together with Clause 61 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other securities.

The proposed Resolution 6, if passed, would allow the Directors to issue new shares to any person under the authority to issue shares pursuant to the Act without having to offer the new shares to be issued equally to all existing shareholders of the Company prior to issuance.

g. **Ordinary Resolution 7: Proposed Renewal of Share Buy-Back Authority**

The proposed Resolution 7, if passed will allow the Company to purchase its own shares. The total number of shares purchased shall not exceed 10% of the total number of issued shares of the Company. This authority will, unless revoked or varied by the Company in general meeting, expire at the conclusion of the next AGM of the Company.

For further information on this resolution, please refer to the Statement to Shareholders dated 30 April 2026.

h. **Special Resolution 1: Proposed Change of Company's Name**

The proposed Special Resolution 1, if passed, will allow the change of Company's name from 'Mieco Chipboard Berhad' to 'Mieco Berhad' effective from the date of issuance of the Notice of Registration of New Name by the Companies Commission of Malaysia to the Company.

For further information on this resolution, please refer to the Circular to Shareholders dated 30 April 2026.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Personal Data Privacy by lodging of a completed Form of Proxy to the Company and the Share Registrar (as the case may be) for appointing a proxy(ies) and/or representative(s) to attend and/or in person at the 53rd AGM and any adjournment therefore, a shareholder of the Company and the Share Registrar is hereby: i. consenting to the collection, use and disclosure of the member's personal data by the Company and to Share Registrar (as the case may be) for the purpose of the processing and administration by the Company and the Share Registrar (as the case may be) of proxy(ies) and representative(s) appointed for the 53rd AGM (including any adjournment thereof), and in order for the Company and the Share Registrar (as the case may be) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively the "Purpose"). ii. warranting that where the member discloses the personal data of shareholder's proxy(ies) and/or representative(s) to the Company and the Share Registrar (as the case may be), the shareholder has obtained to prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company and the Share Registrar (as the case may be) of the personal data of such proxy(ies) and/or representative(s) for the purpose ("Warranty"); and iii. agreeing that the member will indemnify the Company and the Share Registrar (as the case may be) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of Warranty.

For the purpose of the paragraph, "personal data" shall have the same meaning given in section 4 of Personal Data Protection Act 2010.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Securities)

1. No individual is standing for election as a Director (excluding the above Directors who are standing for re-election) at the forthcoming 53rd AGM of the Company.

2. The detailed information relating to general mandate for issue of securities pursuant to Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Securities are set out under Explanatory Note "f" of the Notice of the 53rd AGM of the Company.

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FORM OF PROXY

CDS ACCOUNT NO.

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

I/We ______________________________ Tel No. ______________
(FULL NAME IN BLOCK CAPITALS)

NRIC No./Company No. ______________________ of ______________________
(ADDRESS)

____ being a Member of **MIECO CHIPBOARD BERHAD**, hereby appoint ______________________________
(FULL NAME IN BLOCK CAPITALS)

NRIC No. ______________________ of ______________________________
(ADDRESS)

______________________ Tel No. ______________ Email address ______________________

or failing him, ______________________________ NRIC No. ______________________
(FULL NAME IN BLOCK CAPITALS)

of ____
(ADDRESS)

Tel No. ______________________ Email address ______________________________ or failing him,

the **CHAIRMAN OF THE MEETING** as my/our proxy to vote on my/our behalf at the Fifty-Third Annual General Meeting ("53rd AGM") of the Company to be held at Emerald 2, Level 1, RHR Hotel, Wisma MKH, Jalan Semenyih, 43000 Kajang, Selangor on Friday, 29 May 2026 at 10:00 a.m. and at any adjournment thereof.

No.	Agenda	FOR	AGAINST
Ordinary Business			
1.	Ordinary Resolution 1 - To approve the payment of Directors' fees and benefits to the Non-Executive Directors up to an amount of RM350,000.00 from 30 May 2026 until the next AGM of the Company.		
2.	Ordinary Resolution 2 - To re-elect Datuk Dr. Roslan Bin A. Ghaffar who retires by rotation in accordance with Clause 103 of the Company's Constitution and being eligible, offers himself for re-election.		
3.	Ordinary Resolution 3 - To re-elect Dato' Sri Ng Ah Chai who retires by rotation in accordance with Clause 103 of the Company's Constitution and being eligible, offers himself for re-election.		
4.	Ordinary Resolution 4 - To re-elect Datuk Chua Hock Gee who retires by rotation in accordance with Clause 110 of the Company's Constitution and being eligible, offers himself for re-election.		
5.	Ordinary Resolution 5 - To re-appoint UHY Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration.		
Special Business			
6.	Ordinary Resolution 6 – Authority to Issue Shares pursuant to the Companies Act 2016 and Waiver of Pre-emptive Rights		
7.	Ordinary Resolution 7 - Proposed Renewal of Share Buy-Back Authority		
8.	Special Resolution 1 – Proposed Change of Company's Name		

Please indicate with an "X" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion.

As witness my/our hand(s) this ________ day of ______________, 2026.

For appointment of two (2) proxies, percentage of shareholdings to be represented by the two (2) proxies		
	No. Of Shares	Percentage
Proxy 1		
Proxy 2		
Total		100

Number Of Shares Held

____
Signature of Member

Fold this flap for sealing

Notes:

1. A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
2. A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.
3. A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owner in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account its holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
6. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, the Form of Proxy must be executed under the corporation's seal or under the hand of an officer or attorney duly authorised.

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AFFIX
STAMP

The Share Registrar
Metra Management Sdn. Bhd.
35th Floor, Menara Multi-Purpose,
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur, Malaysia

1st fold here

7. The instrument appointing a proxy must be deposited at the Company's Share Registrar, Metra Management Sdn. Bhd. at 35th Floor, Menara Multi- Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur ("Share Registrar Office") not less than 48 hours before the time for holding the 53rd AGM or at any adjournment thereof, either by hand or post to the Share Registrar Office or email to **metrasrd@metra.com.my**. In the case where the instrument appointing a proxy is delivered by email, the original instrument appointing a proxy shall also be deposited at the Share Registrar Office, either by hand or post not less than 48 hours before the time for holding the 53rd AGM or at any adjournment thereof.
8. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors ("ROD") as at 20 May 2026 and only a Depositor whose name appears on such ROD shall be entitled to attend this meeting or appoint proxy to attend and/or vote in his/her behalf.
9. Pursuant to Paragraph 8.29A of Main Market Listing Requirements of Bursa Securities, all resolutions set out in the Notice of 53rd AGM will be put to vote on a poll.

Personal Data Privacy

By submitting an instrument appointing proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of 53rd AGM dated 30 April 2026.