MIECO

MIECO BERHAD (formerly known as MIECO CHIPBOARD BERHAD)
(Registration No. 197201001235 (12849-K))
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the financial period ended 30 June 2026
The figures have not been audited.

	Individual Quarter		Cumulative Quarter	
	Current year quarter to 30 June 2026 RM'000	Preceding year quarter to 30 June 2025 RM'000	Current year to 30 June 2026 RM'000	Preceding year to 30 June 2025 RM'000
Revenue	86,679	105,094	153,381	201,917
Operating profit before finance costs, depreciation and amortisation and income tax	11,920	12,104	19,350	19,633
Depreciation and amortisation	(7,585)	(7,011)	(15,568)	(14,014)
Gain on disposal of property, plant and equipment	37	46	37	5,875
Profit from operations	4,372	5,139	3,819	11,494
Finance costs	(3,123)	(3,815)	(5,858)	(7,710)
Profit/ (Loss) before tax	1,249	1,324	(2,039)	3,784
Tax expense	(19)	(188)	(38)	(1,112)
Profit/ (Loss) for the financial period	1,230	1,136	(2,077)	2,672
Total comprehensive income/ (loss) for the financial period	1,230	1,136	(2,077)	2,672
Net profit/ (loss) attributable to owners of the Company	1,230	1,136	(2,077)	2,672
Total comprehensive income/ (loss) attributable to owners of the Company	1,230	1,136	(2,077)	2,672
Basic earnings/ (loss) per share (sen)	0.12	0.11	(0.21)	0.27
Diluted earnings/ (loss) per share (sen)	0.12	0.11	(0.21)	0.27

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

MIECO

MIECO BERHAD (formerly known as MIECO CHIPBOARD BERHAD)
(Registration No. 197201001235 (12849-K))
Condensed Consolidated Statement of Financial Position as at 30 June 2026
The figures have not been audited.

	(Unaudited) As at 30 June 2026 RM'000	(Audited) As at 31 December 2025 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	251,024	232,678
Investment properties	-	25,000
Right-of-use assets	98,698	100,871
Deferred tax assets	4,986	4,986
Biological assets	23,425	20,310
Intangible assets	1,841	1,862
Other financial assets	1,575	1,575
	381,549	387,282
Current assets		
Inventories	83,472	77,456
Trade receivables	33,095	36,666
Other receivables	16,509	17,558
Tax recoverable	785	1,036
Fixed deposits with licensed banks	16,075	15,240
Cash and bank balances	10,336	16,176
	160,272	164,132
Assets held for sale	41,158	79,824
	201,430	243,956
TOTAL ASSETS	582,979	631,238
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	276,666	276,666
Reserves		
Foreign currency reserve	(78)	(78)
Retained earnings	38,084	40,161
Total equity	314,672	316,749
Non-current liabilities		
Trade payables	11,789	10,293
Bank borrowings	48,376	53,569
Lease liabilities	3,524	3,406
Employee defined benefit plan	3,488	4,577
Deferred tax liability	105	104
	67,282	71,949
Current liabilities		
Trade payables	46,571	49,759
Other payables	29,549	67,852
Lease liabilities	4,812	3,782
Bank borrowings	120,087	121,090
Tax payable	6	57
	201,025	242,540
TOTAL EQUITY AND LIABILITIES	582,979	631,238
Net assets per share attributable to equity holders of the Company (RM)	0.31	0.32

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025 and the explanatory notes attached to this interim financial report.

MIECO

MIECO BERHAD (formerly known as MIECO CHIPBOARD BERHAD)
(Registration No. 197201001235 (12849-K))
Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 June 2026
The figures have not been audited.

	Attributable to equity holders of the Company			
	Share capital RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total equity RM'000
As at 1 January 2026	276,666	(78)	40,161	316,749
Total comprehensive loss for the financial period	-	-	(2,077)	(2,077)
As at 30 June 2026	276,666	(78)	38,084	314,672
As at 1 January 2025	276,666	(78)	52,458	329,046
Total comprehensive income for the financial period	-	-	2,672	2,672
As at 30 June 2025	276,666	(78)	55,130	331,718

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

MIECO

MIECO BERHAD (formerly known as MIECO CHIPBOARD BERHAD)
(Registration No. 197201001235 (12849-K))
Condensed Consolidated Statement of Cash Flows for the financial period ended 30 June 2026
The figures have not been audited.

	Current year to 30 June 2026 RM'000 (Unaudited)	Preceding year to 30 June 2025 RM'000 (Audited)
Cash flows from/ (used in) operating activities		
– (Loss)/ Profit before tax	(2,039)	3,784
– Adjustments for non-cash and non-operating items		
• Other non-cash and non-operating items	20,244	20,392
	18,205	24,176
– Changes in working capital		
• Increase in inventories	(6,015)	(5,522)
• Decrease in receivables	4,622	6,999
• Decrease in payables	(4,046)	(9,649)
	12,766	16,004
– Payment of defined benefit plan	(492)	(492)
– Tax refund/ (paid)	162	(1,013)
– Interest income received	269	104
Net cash from operating activities	12,705	14,603
Cash flows from/ (used in) investing activities		
– Purchase of property, plant and equipment and right-of-use assets	(8,202)	(1,569)
– Purchase of biological assets	(3,115)	(1,006)
– Proceeds from disposal of property, plant and equipment	4,513	15,406
Net cash (used in) /from investing activities	(6,804)	12,831
Cash flows from/ (used in) financing activities		
– Addition/ (Repayment) of lease liabilities	1,147	(1,862)
– (Decrease)/ Increase of fixed deposits with licensed banks	(835)	3,177
– Repayment of bank borrowings	(6,195)	(13,518)
– Financing expenses	(5,858)	(7,710)
Net cash used in financing activities	(11,741)	(19,913)
Net (decrease)/ increase in cash and cash equivalents	(5,840)	7,521
Cash and cash equivalents at 1 January	16,176	9,856
Cash and cash equivalents at 30 June	10,336	17,377

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

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

PART A: Explanatory Notes of MFRS 134

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

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2025.

2. **Changes in Accounting Policies**
The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the financial year ended 31 December 2025 except for the adoption of the following standards which are applicable to its financial statements and effective for annual periods beginning on or after 1 January 2026:

Amendments to MFRSs	:	Annual Improvements to MFRS Standards – Volume 11
Amendments to MFRS 7 and MFRS 9	:	Amendments to the Classification and Measurement of Financial Instruments
Amendments to MFRS 7 and MFRS 9	:	Contracts Referencing Nature-dependent Electricity

3. **Auditors' report of preceding annual financial statements for financial year ended 31 December 2025**
The audit report of the Group's financial statements for the financial year ended 31 December 2025 was not qualified.

4. **Seasonality or cyclicality of interim operations**
Demand for particleboard, rubberwood and related products are generally seasonal and are also affected by domestic and global economic conditions.

5. **Exceptional items**
There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 June 2026.

6. **Change in estimates**
There were no changes in estimates that have had a material effect for the financial period ended 30 June 2026.

7. **Issuance and repayment of debt and equity securities**
There were no issuance, cancellation, repurchases, resale and repayment of debt and equity securities for the financial period ended 30 June 2026.

8. **Dividends paid**
There were no dividends paid for the financial period ended 30 June 2026.

9. **Segmental reporting**
The Group operates in the following geographical areas:

	Revenue		Total assets		Capital expenditure	
	Current year to 30 June 2026	Preceding year to 30 June 2025	As at 30 June 2026	As at 30 June 2025	Current year to 30 June 2026	Preceding year to 30 June 2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	149,251	191,477	582,979	631,238	8,202	1,569
South East Asia	3,235	5,513	-	-	-	-
Middle East and South Asia	332	2,193	-	-	-	-
Hong Kong and China	370	210	-	-	-	-
Others	193	2,524	-	-	-	-
	153,381	201,917	582,979	631,238	8,202	1,569

10. **Valuation of property, plant and equipment**
Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

11. **Material events subsequent to the financial period ended 30 June 2026**
There were no material events subsequent to the financial period.

12. **Changes in the composition of the Group during the financial period ended 30 June 2026**

On 13 February 2026, Particleboard Malaysia Sdn Bhd ("PMSB"), an ultimate wholly-owned subsidiary of the Company has submitted an application to the Suruhanjaya Syarikat Malaysia ("SSM") to strike its name off the Register pursuant to Section 550 of the Companies Act 2016 ("the Act").

Subsequently, on 11 May 2026, SSM had approved and gazetted that PMSB was struck off from the Register pursuant to Section 549 of the Act. The striking off does not have any material financial effect to the Group.

13. **Contingent liabilities and contingent assets**
There were no contingent liabilities or contingent assets as at the date of the financial report.

14. **Capital commitments**
There were no material capital commitments as at 30 June 2026.

15. **Significant related party transactions**
The Group had the following transactions with related parties during the financial period ended 30 June 2026:

	RM'000
Transaction with a company in which two Directors of the Company are also directors and one of whom has substantial financial interest	
Lease expenses paid	48

PART B: Explanatory Notes of Bursa Malaysia Listing Requirements

1. **Review of performance**

Quarter on quarter review
The Group recorded revenue of RM86.7 million in the current quarter, declined by RM18.4 million or 18% as compared to preceding year quarter. The lower revenue was mainly due to lower sales volume and softer market demand.

The Group recorded a profit before tax of RM1.2 million for the current quarter, compared with RM1.3 million recorded in the corresponding quarter of the preceding year. The slight decrease was mainly attributable to lower sales volume amid softer market condition. The lower operating performance was partially mitigated by lower finance costs.

Year on year review
The Group's revenue decreased by 24% in the first half of 2026 compared to the same period in 2025 due to lower sales volume.

The Group recorded a loss before tax of RM2.0 million for the period compared to profit before tax of RM3.8 million in the preceding period mainly due to absence of gain on disposal of property amounting to RM5.9 million recognised in the preceding period.

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

	FY 2026 Current Quarter Ended 30 June 2026 RM'000	FY 2026 Preceding Quarter Ended 31 March 2026 RM'000
Revenue	86,679	66,702
Profit/ (Loss) before tax	1,249	(3,287)

The Group's revenue for the current quarter improved by 30% from RM66.7 million in the immediate preceding quarter to RM86.7 million, mainly due to the higher number of operational days, as the revenue in the immediate preceding quarter was affected by long festive holidays.

The Group recorded a profit before tax of RM1.2 million for the current quarter compared with a loss before tax of RM3.3 million in the immediate preceding quarter. The turnaround in performance was mainly attributable to a 30% increase in the revenue with improved production efficiency and better cost management during the current quarter.

3. **Prospects**

The continuation of the Iran conflict has significantly disrupted the global trade and economic landscape.

Amid this challenging and evolving environment, the Group acknowledges that such external developments are beyond its control.

The Management will remain vigilant in monitoring geopolitical and macroeconomic developments, and will continue to assess and implement appropriate measures to mitigate potential adverse impacts on the Group's operations. The Group will continue to focus on two key strategic priorities, namely operational efficiency and organisational resilience. The Group remains well-prepared, with the necessary operational capabilities and resources in place to capitalise on a recovery in market conditions when opportunities arise.

4. **Variance of actual profit from forecast profit**
The Group did not provide any profit forecast in a public document and therefore, this note is not applicable.

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

	Current year quarter to 30 June 2026 RM'000	Preceding year quarter to 30 June 2025 RM'000	Current year to 30 June 2026 RM'000	Preceding year to 30 June 2025 RM'000
Profit/ (Loss) before tax is arrived at after charging/ (crediting):-				
Interest income	(81)	(53)	(269)	(104)
Interest expense	3,123	3,815	5,858	7,710
Gain on disposal of property, plant and equipment	337	46	337	5,875
Depreciation and amortisation	7,585	7,011	15,568	14,014
Realised foreign exchange loss/ (gain)	131	(169)	156	(484)

6. **Tax expense**

	Current quarter to 30 June 2026 RM'000	Current year to 30 June 2026 RM'000
In respect of current year		
- Malaysian income tax	(19)	(38)
	(19)	(38)

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

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

8. **Borrowings and debt securities**
The Group's bank borrowings are all denominated in Ringgit Malaysia. The details of the bank borrowings as at 30 June 2026 are as follows:-

	Current RM'000	Non-current RM'000	Total RM'000
Secured			
Bankers' acceptance and invoice financing	102,550	-	102,550
Revolving credit	7,661	-	7,661
Term loans	9,875	48,376	58,252
	120,087	48,376	168,463

9. **Derivative financial instruments**

There were no outstanding foreign currency forward contracts as at 30 June 2026.

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

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

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

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

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
As at 30 June 2026				
Derivative financial assets	-	-	-	-
As at 30 June 2025				
Derivative financial assets	-	-	-	-

11. **Changes in material litigation**

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

12. **Dividend**

The Directors do not propose any dividend for the financial period ended 30 June 2026. No dividend was declared last year.

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

	Current year quarter to 30 June 2026	Preceding year quarter to 30 June 2025	Current year to 30 June 2026	Preceding year to 30 June 2025
(a) **Basic earnings/ (loss) per share**				
Net profit/ (loss) attributable to the owners of the Company (RM'000)	1,230	1,136	(2,077)	2,672
Weighted average number of ordinary shares in issue ('000)	1,000,000	1,000,000	1,000,000	1,000,000
Earnings/ (Loss) per share (sen)	0.12	0.11	(0.21)	0.27

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

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

BY ORDER OF THE BOARD
MIECO BERHAD (formerly known as MIECO CHIPBOARD BERHAD)

Ng Geok Lian
Company Secretary
Selangor

20 August 2026