



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

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 31 December 2023**

The figures have not been audited.

	Individual Quarter		Cumulative Quarter	
	Current year quarter to 31 December 2023 RM'000	Preceding year quarter to 31 December 2022 RM'000	Current year to 31 December 2023 RM'000	Preceding year to 31 December 2022 RM'000
Revenue	112,130	65,630	361,006	328,264
Other income	3,301	3,248	27,158	9,650
Operating (loss)/ profit before finance costs, depreciation and amortisation, income tax and non-controlling interests	(5,305)	428	(1,315)	23,554
Gain on acquisition of a subsidiary	2,186	-	22,407	-
Depreciation and amortisation	(6,712)	(7,315)	(31,110)	(29,805)
Impairment losses on property, plant and equipment and right-of-use assets	-	(15,131)	(38,930)	(15,131)
Loss from operations	(9,831)	(22,018)	(48,948)	(21,382)
Finance costs	(4,079)	(2,370)	(13,346)	(9,099)
Loss before tax	(13,910)	(24,388)	(62,294)	(30,481)
Tax expense	(2,005)	(2,945)	(2,059)	(3,242)
Net loss for the financial year	(15,915)	(27,333)	(64,353)	(33,723)
Other comprehensive income/(loss) for the financial year:				
Remeasurement of defined benefit plan	-	2,034	-	2,034
Exchange translation differences on foreign operation	-	(19)	-	(19)
Total comprehensive loss for the financial year	(15,915)	(25,318)	(64,353)	(31,708)
Net loss attributable to owners of the Company	(15,915)	(27,333)	(64,353)	(33,723)
Total comprehensive loss attributable to owners of the Company	(15,915)	(25,318)	(64,353)	(31,708)
Basic loss per share (sen)	(1.59)	(2.73)	(6.44)	(3.37)
Diluted loss per share (sen)	(1.59)	(2.73)	(6.44)	(3.37)

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 2022 and the accompanying explanatory notes attached to this interim financial report.



**MIECO CHIPBOARD BERHAD (Registration No. 197201001235 (12849-K))**  
**Condensed Consolidated Statement of Financial Position as at 31 December 2023**  
The figures have not been audited.

	(Unaudited) As at 31 December 2023 RM'000	(Audited) As at 31 December 2022 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	302,143	296,003
Investment properties	25,405	17,000
Right-of-use assets	110,678	149,516
Deferred tax assets	4,986	7,034
Biological assets	11,995	-
Intangible assets	1,919	-
	<u>457,126</u>	<u>469,553</u>
<b>Current assets</b>		
Inventories	76,659	55,440
Trade receivables	50,981	28,846
Other receivables	15,488	14,770
Tax recoverable	748	4
Deposits with licensed banks	13,305	9,755
Cash and bank balances	5,365	58,116
	<u>162,546</u>	<u>166,931</u>
Assets held for sale	43,553	-
	<u>206,099</u>	<u>166,931</u>
<b>TOTAL ASSETS</b>	<u>663,225</u>	<u>636,484</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	276,666	276,666
Reserves		
Foreign currency reserve	(54)	(54)
Retained earnings	50,640	114,993
<b>Total equity</b>	<u>327,252</u>	<u>391,605</u>
<b>Non-current liabilities</b>		
Other payables	20,800	-
Bank borrowings	100,265	65,230
Lease liabilities	9,998	9,130
Employee defined benefit plan	7,603	8,884
Deferred tax liability	990	-
	<u>139,656</u>	<u>83,244</u>
<b>Current liabilities</b>		
Trade payables	53,362	34,597
Other payables	27,506	33,584
Lease liabilities	3,711	2,779
Bank borrowings	111,738	90,424
Tax payable	-	251
	<u>196,317</u>	<u>161,635</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>663,225</u>	<u>636,484</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>0.33</u>	<u>0.39</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the explanatory notes attached to this interim financial report.



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

**Condensed Consolidated Statement of Changes in Equity for the financial year ended 31 December 2023**

The figures have not been audited.

	Attributable to equity holders of the Company			Total equity RM'000
	Share capital RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	
As at 1 January 2023	276,666	(54)	114,993	391,605
Total comprehensive loss for the financial year	-	-	(64,353)	(64,353)
As at 31 December 2023	276,666	(54)	50,640	327,252
As at 1 January 2022	276,666	(35)	146,682	423,313
Total comprehensive loss for the financial year:				
- Loss for the financial year	-	-	(33,723)	(33,723)
- Remeasurement of defined benefit plan	-	-	2,034	2,034
- Exchange translation differences on foreign operation	-	(19)	-	(19)
As at 31 December 2022	276,666	(54)	114,993	391,605

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 2022 and the accompanying explanatory notes attached to this interim financial report.



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

**Condensed Consolidated Statement of Cash Flows for the financial year ended 31 December 2023**

The figures have not been audited.

	<b>Current year to 31 December 2023 RM'000 (Unaudited)</b>	<b>Preceding year to 31 December 2022 RM'000 (Audited)</b>
<u>Cash flows (used in)/from operating activities</u>		
– Loss before tax	(62,294)	(30,481)
– Adjustments for non-cash and non-operating items		
• Other non-cash and non-operating items	60,505	55,794
	<u>(1,789)</u>	<u>25,313</u>
– Changes in working capital		
• Decrease in inventories	16,410	6,173
• Decrease/(Increase) in receivables	(18,350)	40,825
• Decrease in payables	(10,389)	(29,882)
	<u>(14,118)</u>	<u>42,429</u>
– Payment of defined benefit plan	(2,215)	(6,984)
– Income tax paid	(831)	(249)
Net cash (used in)/ from operating activities	<u>(17,164)</u>	<u>35,196</u>
<u>Cash flows used in investing activities</u>		
– Net acquisition of a subsidiary	(47,816)	-
– Purchase of property, plant and equipment and other non-current assets	(17,520)	(5,105)
– Interest income received	585	979
Net cash used in investing activities	<u>(64,751)</u>	<u>(4,126)</u>
<u>Cash flows from/(used in) financing activities</u>		
– Proceeds/(Repayment) of term loan	34,058	(16,481)
– Proceeds/(Repayment) of lease liabilities	507	(1,635)
– Placement of fixed deposits with licensed banks	(266)	(162)
– Net (repayment)/proceeds of bankers acceptances/invoice financing	7,642	(25,094)
– Financing expenses	(13,346)	(9,099)
– Repayment of overdraft facility	569	565
Net cash from/(used in) financing activities	<u>29,164</u>	<u>(51,906)</u>
Net decrease in cash and cash equivalents	(52,751)	(20,836)
Cash and cash equivalents at 1 January	58,116	78,952
Cash and cash equivalents at 31 December	<u>5,365</u>	<u>58,116</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.



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

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

#### **1. Basis of preparation**

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

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022. 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 2022.

#### **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 2022 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 2023:

MFRS 17	:	Insurance Contracts
Amendments to MFRS 17	:	Insurance Contracts
Amendments to MFRS 17	:	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	:	Disclosure of Accounting Policies
Amendments to MFRS 108	:	Definition of Accounting Estimates
Amendments to MFRS 112	:	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

#### **3. Auditors' report of preceding annual financial statements for financial year ended 31 December 2022**

The audit report of the Group's financial statements for the financial year ended 31 December 2022 was not qualified.

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

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

#### **5. Exceptional items**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial year ended 31 December 2023.

#### **6. Change in estimates**

There were no changes in estimates that have had a material effect for the financial year ended 31 December 2023.

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

There were no issuance, cancellation, repurchases, resale and repayment of debt and equity securities for the financial year ended 31 December 2023.

#### **8. Dividends paid**

There were no dividends paid for the financial year ended 31 December 2023.



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

**9. Segmental reporting**

The Group operates in the following geographical areas:

	Revenue		Total assets		Capital expenditure	
	Current year to 31 December 2023 RM'000	Preceding year to 31 December 2022 RM'000	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000	Current year to 31 December 2023 RM'000	Preceding year to 31 December 2022 RM'000
Malaysia	324,671	305,917	663,225	636,484	17,520	5,105
South East Asia	9,564	7,383	-	-	-	-
Middle East and South Asia	7,145	5,467	-	-	-	-
Hong Kong and China	10,095	5,819	-	-	-	-
Others	9,531	3,678	-	-	-	-
	<u>361,006</u>	<u>328,264</u>	<u>663,225</u>	<u>636,484</u>	<u>17,520</u>	<u>5,105</u>

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

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

**11. Material events subsequent to the financial year ended 31 December 2023**

There were no material subsequent events as at 26 February 2024, being the latest practicable date, which shall not be earlier than 7 days from the date of issuance of this financial report.

**12. Changes in the composition of the Group during the financial year ended 31 December 2023**

The Company had on 6 October 2021, entered into conditional a share sale agreement with SYF Resources Berhad for acquisition of the entire equity interest in Seng Yip Furniture Sdn. Bhd. ("Seng Yip Furniture"), for a purchase consideration of RM50.0 million to be satisfied entirely via cash.

The acquisition had been completed on 14 March 2023 and consequently Seng Yip Furniture became a wholly-owned subsidiary of the Company.

**13. Contingent liabilities and contingent assets**

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

**14. Capital commitments**

Capital commitments not provided for in the interim financial report as at 31 December 2023 were as follows:-

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



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

**15. Significant related party transactions**

The Group had the following transactions with related parties during the financial year ended 31 December 2023:

	<b>RM'000</b>
<u>Transaction with the company(ies) in which two Directors of the Company are also directors and one of whom has substantial financial interest</u>	
Sales	1,534
Purchases	2,392
Rental received	114
Lease expenses paid	<u>96</u>
<u>Transaction with a Director</u>	
Lease expenses paid	<u>142</u>



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

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

**1. Review of performance**

**Quarter on quarter review**

The Group recorded a revenue of RM112.1 million in the current quarter, which was an increase of 71% from RM65.6 million recorded in the preceding year corresponding quarter. The higher in revenue was mainly due to increase in sales volume and inclusion of revenue from a new subsidiary.

Despite of higher revenue, the Group still suffered a net loss of RM15.9 million primarily due to high operating costs and lower average selling price. However, there was an improvement when compared to the net loss of RM27.3 million in the same quarter last year, which included in the last year loss was impairment losses on property, plant and equipment and right-of-use assets amounting to RM15.1 million.

**Year on year review**

For the whole financial year, the Group's revenue in 2023 was higher by 10% to RM361.0 million from RM328.3 million in 2022. The increase was mainly attributed by the inclusion of revenue from a new subsidiary acquired during the year.

Notwithstanding, the Group suffered a net loss of RM64.4 million for the financial year ended 2023 as compared to net loss of RM33.7 million posted last year. The higher loss was mainly due to higher impairment losses on property, plant and equipment recognised, coupled with higher operating cost and lower average selling price.

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

The Group's revenue for the current quarter increased by 13% to RM112.1 million from RM99.1 million in the immediate preceding quarter as both sales volume and average selling price were marginally improved.

The Group's loss after tax narrowed to RM15.9 million against RM45.9 million in the preceding quarter, included in the preceding quarter result was impairment losses on property, plant and equipment of RM38.9 million.

**3. Prospects**

The industry outlook remains challenging, however, the Group expects the revenue to grow in 2024 with increased selling price. As we have seen positive trends on the orders and upward movement in selling prices since the end of 2023, which is an encouraging sign.

The Group is cautiously optimistic of achieving a more sustainable performance and satisfactory results in the next financial year. The synergistic benefit of acquisition of Seng Yip Furniture Sdn Bhd and consolidation of operations of our Pahang plants which were completed during 2023 are expected to be fully crystalised, this would significantly improve the Group production efficiency and elimination of duplicate resources and costs.

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

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

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





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

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

	<b>Current year quarter to 31 December 2023 RM'000</b>	<b>Preceding year quarter to 31 December 2022 RM'000</b>	<b>Current year to 31 December 2023 RM'000</b>	<b>Preceding year to 31 December 2022 RM'000</b>
Loss before tax is arrived at after charging/(crediting):-				
Interest income	(228)	(222)	(684)	(979)
Interest expense	4,079	2,370	13,346	9,099
Depreciation and amortisation	6,712	7,315	31,110	29,805
Realised foreign exchange gain	(140)	(194)	(792)	(2,796)
Unrealised foreign exchange gain	(622)	(171)	(511)	(298)
Fair value (gain)/loss on derivative financial instruments	-	(42)	-	8
(Reversal)/Allowance for inventories obsolescence	(567)	1,075	(567)	1,075
Reversal of impairment losses on trade receivables	-	(338)	-	(317)
Impairment losses on property, plant and equipment and right-of-use assets	-	15,131	38,930	15,131

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

	<b>Current quarter to 31 December 2023 RM'000</b>	<b>Current year to 31 December 2023 RM'000</b>
In respect of current year		
- Malaysian income tax	77	194
- Deferred tax	(2,082)	(2,081)
	<u>(2,005)</u>	<u>(1,887)</u>
In respect of prior year		
- Malaysian income tax	-	(172)
	<u>(2,005)</u>	<u>(2,059)</u>

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



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

**7. Status of corporate proposals**

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

**8. Borrowings and debt securities**

The Group's borrowings are all denominated in Ringgit Malaysia. The details of the Group's borrowings as at 31 December 2023 are as follows:-

	<b>Current RM'000</b>	<b>Non-current RM'000</b>	<b>Total RM'000</b>
<u>Secured</u>			
Bank overdrafts	1,913	-	1,913
Bankers acceptance and invoice financing	83,019	-	83,019
Revolving credit	14,000	-	14,000
Term loans	12,806	100,265	113,071
	<u>111,738</u>	<u>100,265</u>	<u>212,003</u>

**9. Derivative financial instruments**

There was no outstanding foreign currency forward contract as at 31 December 2023.

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

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

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

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

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

	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>	<b>Total RM'000</b>
<u>As at 31 December 2023</u>				
Derivative financial assets	-	-	-	-
<u>As at 31 December 2022</u>				
Derivative financial assets	-	-	-	-



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

**11. Changes in material litigation**

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

**12. Dividend**

The Directors do not propose any dividend for the financial year ended 31 December 2023. No dividend was declared last year.

**13. Loss per share**

	<b>Current year quarter to 31 December 2023</b>	<b>Preceding year quarter to 31 December 2022</b>	<b>Current year to 31 December 2023</b>	<b>Preceding year to 31 December 2022</b>
<b>(a) Basic loss per share</b>				
Net loss attributable to the owners of the Company (RM'000)	(15,915)	(27,333)	(64,353)	(33,723)
Weighted average number of ordinary shares in issue ('000)	1,000,000	1,000,000	1,000,000	1,000,000
Loss per share (sen)	<u>(1.59)</u>	<u>(2.73)</u>	<u>(6.44)</u>	<u>(3.37)</u>

**(b) Diluted loss per share**

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

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

Ng Geok Lian  
Company Secretary  
Selangor

27 February 2024