



fibromat[®]

EROSION CONTROL | GEOSYNTHETIC

ANNUAL REPORT

2025

Manufacturing | Trading | Solution Provider



In a defining milestone for the Group, marking our successful listing on the ACE Market of Bursa Malaysia Securities Berhad, we are pleased to present the Annual Report 2025 of Fibromat (M) Berhad (hereinafter referred to as “Fibromat”, “the Group” or “the Company”). As a listed issuer, this inaugural report reflects our continued growth trajectory, strengthened governance framework and commitment to delivering sustainable value to our stakeholders.

◀ Annual Report 2025

The online version of Fibromat Annual Report 2025 is available on the website. Go to www.fibromatberhad.com.my or scan the QR Code.



SCAN ME

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CORPORATE OVERVIEW



WE BELIEVE TODAY'S BIOENGINEERING IS THE KEY FOR BETTER TOMORROW.

Fibromat (M) Berhad is a Malaysian-based geotechnical and erosion control solutions provider with capabilities to support infrastructure and environmental projects across the region. The Group's expertise spans manufacturing, design, supply, and on-site installation, delivering integrated solutions across the project lifecycle.

The Group offers a comprehensive range of geosynthetic and erosion control products that meet international standards, supporting applications such as slope stabilisation, ground improvement, riverbank and coastal protection, and soil erosion control. Its solutions are engineered to fulfil key functions including drainage, filtration, separation, protection, and reinforcement across diverse sectors.

Guided by its commitment to environmental responsibility, Fibromat's solutions contribute to preserving natural landscapes, enhancing soil stability, and supporting climate-resilient infrastructure. The Group has further strengthened its execution capabilities through the establishment of in-house Prefabricated Vertical Drain (PVD) installation, enhancing its capacity to deliver ground improvement works with greater efficiency, technical precision, and operational control.

Building on its established track record, Fibromat's corporate progression from its listing on the LEAP Market in 2019 to its successful transfer to the ACE Market of Bursa Malaysia in 2025 reflects its continued growth, operational scale, and strengthening of governance standards. The Group remains focused on delivering reliable, sustainable solutions across Malaysia and the region.

MISSION

To be a leading provider of green bio-engineering solutions, enabled by advanced technologies to support sustainable and resilient infrastructure.



VISION

To deliver high-quality green bio-engineering solutions across manufacturing and project execution, with the aim of becoming a leading force in Malaysia's sustainable and resilient infrastructure landscape.



CORPORATE INFORMATION

BOARD OF DIRECTORS

DR. FAUZIAH BINTI AHMAD
Independent Non-Executive Chairperson

NG KIAN BOON
Managing Director and
Chief Executive Officer

MOHD TARMIM BIN SIDEK
Executive Director

NG CHUN HOU (Resigned on 30.01.2026)
Non Independent Non-Executive Director
(re-designated from Executive Director
on 22.09.2025)

NG CHUN YEW (Appointed on 22.09.2025)
Executive Director and
Chief Commercial Officer

CHAO KAR PO
Independent Non-Executive Director

LOO PAK SOON
Independent Non-Executive Director

ILHAM BINTI UMAR THABII
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Chao Kar Po
(Chairperson)

Loo Pak Soon
(Member)

Ilham Binti Umar Thabii
(Member)

NOMINATION COMMITTEE

Loo Pak Soon
(Chairperson)

Chao Kar Po
(Member)

Ilham Binti Umar Thabii
(Member)

REMUNERATION COMMITTEE

Ilham Binti Umar Thabii
(Chairperson)

Chao Kar Po
(Member)

Loo Pak Soon
(Member)

COMPANY SECRETARIES

Wong Youn Kim
(SSM PC No. 201908000410)
(MAICSA 7018778)

Lee Chin Wen
(SSM PC No. 202008001901)
(MAICSA 7061168)

REGISTERED OFFICE

B-25-2, Block B, Jaya One,
No. 72A, Jalan Prof Diraja Ungku Aziz,
46200 Petaling Jaya,
Selangor

Tel No. : + 603-7955 0955
Email : info@niche.com.my

PRINCIPAL PLACE OF BUSINESS

Wisma Fibromat
574, Jalan Samudra Utara 1
Taman Samudra
68100 Batu Caves
Selangor

Tel No. : +603-6189 9999
Website : www.fibromatberhad.com.my
Email : enquiry@fibromat.com.my

SHARE REGISTRAR

**Boardroom Share Registrars
Sdn Bhd**

Registration No. 199601006647
(378993-D)

11th Floor, Menara Symphony
5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor

Tel No. : +603-7890 4700

Email : bsr.helpdesk@boardroomlimited.com

AUDITORS

Baker Tilly Monteiro Heng PLT
(Registration No. 201906000600
(LLP0019411-LCA) & AF 0117

Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur

Tel No. : +603-2297 1000

SPONSOR

M & A Securities Sdn Bhd
(Registration No. 197301001503
(15017-H))

45 & 47, Levels 3 and 7
The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Tel No. : +603-2284 2911

STOCK EXCHANGE LISTING

**ACE Market of Bursa Malaysia
Securities Berhad**

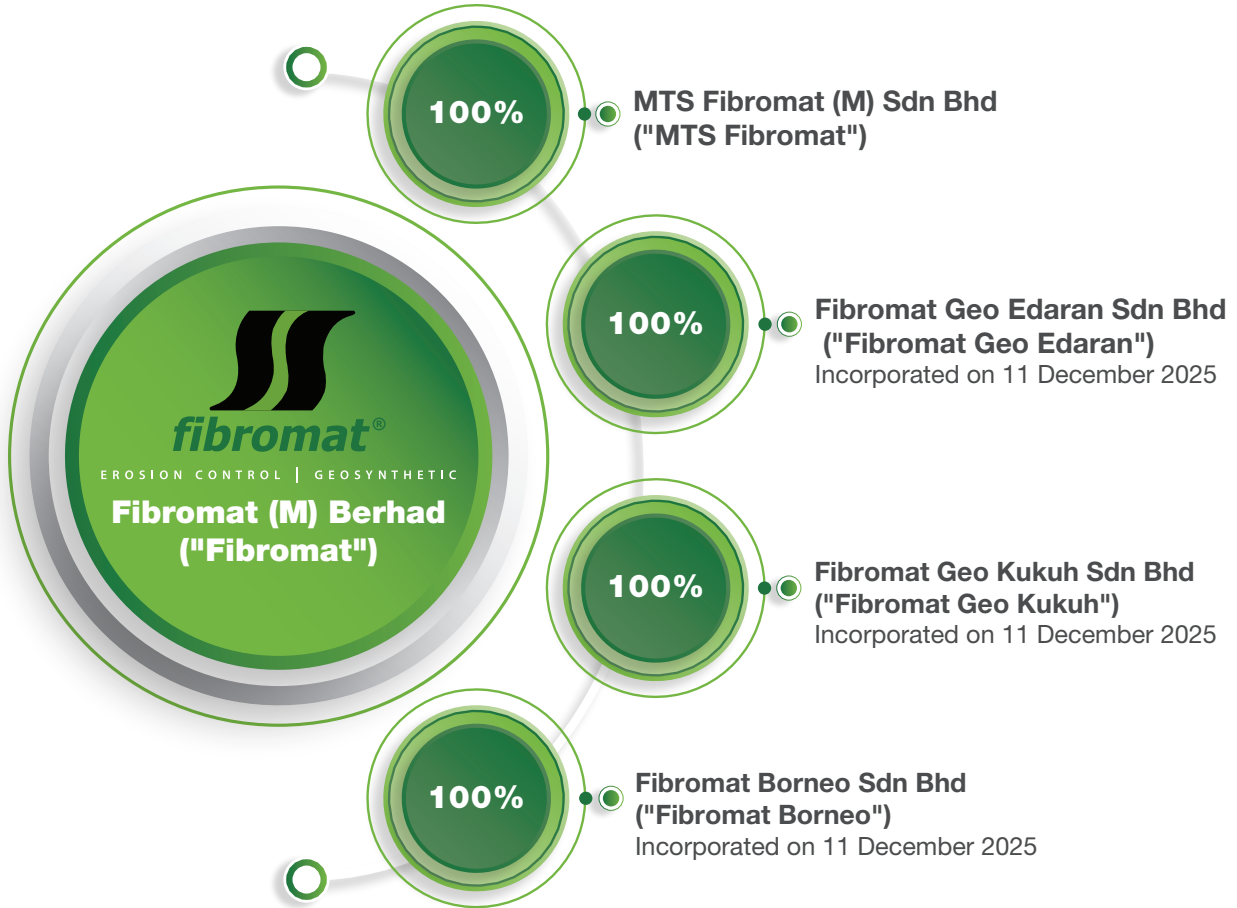
Stock Name : FIBRO

Stock Code : 0355

Sector : Industrial Products &
Services

Sub Sector : Industrial Services

CORPORATE STRUCTURE



PROFILE OF DIRECTORS

cont'd

DR. FAUZIAH BINTI AHMAD

Independent Non-Executive Chairperson



Age
64



Nationality
Malaysian



Gender
Female

Date of Appointment

08 March 2019

Number of Board Meetings Attended

6/6



Dr. Fauziah Binti Ahmad, a Malaysian, aged 64, is our Independent Non-Executive Chairperson. She was appointed to our Board on 8 March 2019.

She holds a Bachelor of Science (Honours) in Civil Engineering from the University of Strathclyde, United Kingdom (1985), and was subsequently awarded a Doctor of Philosophy (PhD) in Civil Engineering from the same university in 1989. She has been registered with the Board of Engineers Malaysia since 1991.

Dr. Fauziah began her career in 1983 as a Technical Assistant with Majlis Perbandaran Seberang Perai (now Majlis Bandaraya Seberang Perai), where she was involved in supervising construction activities. She later pursued her higher education in the United Kingdom.

Upon completing her doctoral studies, she joined Universiti Sains Malaysia (“USM”) in 1989 as a lecturer in geotechnical engineering. During her tenure, she also served as a Research Officer at the University of Oxford, United Kingdom, from March 1991 to October 1991. She was promoted to Associate Professor in 1998 and subsequently to Professor in 2010. Over her academic career spanning more than three decades, she was actively involved in teaching, research, postgraduate supervision, publication of technical papers, and provision of consultancy services in geotechnical and civil engineering. She retired in 2022 and continues to serve as an Honorary Professor in geotechnical engineering.

Dr. Fauziah does not hold any directorships in other public companies or listed issuers. She has no family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Group. She has not been convicted of any offences within the past five (5) years other than traffic offences, if any, nor has she been subject to any public sanction or penalty imposed by relevant regulatory bodies.

PROFILE OF DIRECTORS

NG KIAN BOON

Managing Director and Chief Executive Officer



Age
64



Nationality
Malaysian



Gender
Male

Date of Appointment

24 October 2012

Number Board Meetings Attended

6/6



Ng Kian Boon is the Group's Promoter, substantial shareholder, Managing Director and Chief Executive Officer. He is responsible for setting the Group's overall strategic direction, driving business growth and overseeing the execution of operational and corporate initiatives across the Group.

He graduated with a Diploma in Mechanical Engineering from the Federal Institute of Technology, Malaysia in 1983 and a Master of Business Administration (Entrepreneurial Management) from the Entrepreneurship Institute Australia (now known as the Australian Institute of Business), Australia, in 2008.

He has more than 3 decades of experience in engineering, construction-related industries and business leadership, with a strong track record in building and scaling operations, developing market presence and executing growth strategies.

He began his career in 1984 as a Technical Sales Executive with Tai Hoe Trading Sdn Bhd, where he was involved in sales and marketing of building materials, project coordination and customer engagement.

In 1988, he co-founded Linetech (M) Sdn Bhd, focusing on the trading and installation of containment lining and water tank systems, where he led business operations and market development. In 1994, he co-founded Westbury Tubular (M) Sdn Bhd, a company involved in the design, fabrication and installation of steel structures and roofing systems, where he was responsible for business development, project execution oversight and establishing key industry relationships. He remained with Westbury Tubular (M) Sdn Bhd until 1998.

In August 1999, he joined MTS Fibromat as General Manager and was responsible for managing the company's operations, procurement, project execution and delivery. He was subsequently promoted to Managing Director and Chief Executive Officer in January 2001 and appointed to the Board in July 2001.

Under his leadership, the Group has undergone significant transformation, evolving from a project-based contractor into an integrated geotechnical solutions provider with capabilities spanning manufacturing, trading and engineering services. He has been instrumental in strengthening the Group's operational framework, expanding its market footprint and enhancing its competitive positioning within the industry.

He also played a key leadership role in the Group's corporate development journey, including its progression from a private entity to a public listed company on the LEAP Market of Bursa Securities and its subsequent transfer to the ACE Market of Bursa Securities, reinforcing the Group's governance standards, financial discipline and growth trajectory.

In addition to his executive responsibilities, he is actively involved in industry bodies. He currently serves as Vice President of Malaysia Biomass Industries Confederation, an executive member of The Malaysian Chapter of the International Geosynthetics Society, and a council member of the Federation of Malaysian Manufacturers, reflecting his commitment to industry development and stakeholder engagement.

He is the father of Ng Chun Hou (former Non-Independent Non-Executive Director) and Ng Chun Yew (Executive Director).

He does not hold any directorships in other public companies or listed issuers. He has no conflict of interest with the Group, has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and no public sanctions or penalties have been imposed on him by any relevant regulatory authorities.

PROFILE OF DIRECTORS

cont'd

MOHD TARMIM BIN SIDEK

Executive Director



Age
61



Nationality
Malaysian



Gender
Male

Date of Appointment

24 October 2012

Number Board Meetings Attended

6/6



Mohd Tarmim Bin Sidek is responsible for overseeing the business development department of the Group.

He obtained a Diploma in Agriculture from Universiti Putra Malaysia (formerly known as Universiti Pertanian Malaysia) in 1986.

He commenced his career as a Landscape Supervisor of Syarikat Perniagaan Peladang (KADA) Sdn Bhd in 1987 where he was involved in landscape planning, implementation and maintenance of Kompleks Kota Darul Naim, Kelantan and Dataran Merdeka, Kuala Lumpur during the Commonwealth Heads of Government Meeting conference. Subsequently, he left the company in 1988 and took a career break.

In 1990, he founded MTS Constructions and Trading (a sole proprietorship) to carry out the trading of building materials, landscaping, construction and installation of various types of water tanks. As the business expanded, he co-founded MTS Constructions and Trading Sdn Bhd (now known as Landasan Jaya Sdn Bhd) in 1994 to undertake engineering works for water tanks and supply of equipment to the Malaysian army. He subsequently ceased the sole proprietorship of MTS Constructions and Trading in 2016 and resigned as a director of MTS Constructions and Trading Sdn Bhd in 2017 and subsequently ceased to be a shareholder of the company in 2018, to focus on the operations of our Group.

In 1999, he co-founded MTS Fibromat with his spouse. He is responsible for planning and overseeing our Group's business development through promoting and generating interest in and awareness of our Group's geotechnical solutions as well as geosynthetics and erosion control products to potential customers and government agencies.

He does not hold any directorships in other public companies or listed issuers. He has no family relationship with any Director and/or major shareholders of the Company and has no conflict of interest with the Group.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies.

PROFILE OF DIRECTORS

cont'd

NG CHUN YEW

Executive Director and Chief Commercial Officer



Age
32



Nationality
Malaysian



Gender
Male

Date of Appointment

22 September 2025

Number of Board Meetings Attended

1/1



Ng Chun Yew, aged 32, a Malaysian, is our Executive Director cum Chief Commercial Officer (“CCO”). He is primarily responsible for executing the Group’s commercial strategies, overseeing sales and marketing functions, driving market expansion and revenue growth, as well as leading and managing the sales team.

He holds a Bachelor of Engineering (Honours) in Mechanical Engineering from the University of Nottingham, United Kingdom, obtained in 2016.

He commenced his career in 2016 with PMT Industries Sdn Bhd (now known as Wasco AgroTech Sdn Bhd) as a Sales Engineer in the turbine generator division, where he was involved in market development, tender preparation, project execution monitoring, and technical support. In 2018, he joined JJ-LAPP (M) Sdn Bhd as a Sales Engineer, where he focussed on customer accounts expansion and the distribution of electrical and data cable solutions. In 2020, he joined CGS-CIMB Securities Sdn Bhd (now known as CGS International Securities Malaysia Sdn Bhd) as a Trading Representative, where he was responsible for client account assessments and credit reviews.

In 2021, he joined MTS Fibromat (M) Sdn Bhd as Operation Manager and was subsequently promoted to Senior Operation Manager in 2024. During his tenure, he contributed to strengthening the Group’s operational execution capabilities and expanding its presence in East Malaysia. Notably, he played a key role in securing 33 work packages under Phase 1 of the Pan Borneo Highway project in Sabah, comprising 7 out of 19 packages in Phase 1A and 16 out of 20 packages in Phase 1B .

He was appointed as Executive Director of the Company on 22 September 2025.

He is the son of Ng Kian Boon, our Promoter, substantial shareholder, Managing Director and Chief Executive Officer, and the brother of Ng Chun Hou, our former Non-Independent Non-Executive Director who resigned on 30 January 2026.

He does not hold any directorships in other public companies or listed issuers. He has no conflict of interest with the Group and has not been convicted of any offences within the past five (5) years other than traffic offences, if any, nor has any public sanction or penalty been imposed on him by any relevant regulatory authorities.

PROFILE OF DIRECTORS

cont'd

CHAO KAR PO

Independent Non-Executive Director



Age
56



Nationality
Malaysian



Gender
Female

Date of Appointment

27 August 2024

Number of Board Meetings Attended

6/6



Chao Kar Po is an Independent Non-Executive Director of the Company. She serves as the Chairperson of the Audit and Risk Management Committee and is a member of both the Nomination Committee and Remuneration Committee.

She graduated with a Bachelor of Accounting (Honours) from the University of Malaya in 1995 and has been a Member of the Malaysian Institute of Accountants (“MIA”) since 1999.

She brings over 25 years of extensive experience in finance, accounting, and corporate governance across various listed and multinational companies.

She began her career in 1995 with Pos Malaysia (now known as Pos Malaysia Berhad) as an Accountant before joining Lysaght Galvanized Steel Berhad later the same year, and was subsequently promoted to Group Accountant in 1999. In 2002, she joined Chongai Knitting Company Sdn Bhd, a subsidiary of Eksons Corporation Berhad as a Group Accountant, and subsequently moved to Eksons Corporation Berhad, where she was promoted to Group Financial Controller in 2004. During her tenure, she was actively involved in financial management, corporate governance, risk assessments, and oversight of internal audit functions.

In 2005, she joined B.P. Clinical Lab Sdn Bhd as accountant in March 2005 and promoted to Financial Controller in June 2005, where she oversaw financial operations including management reporting, procurement financing, and HR-related financial matters. She later joined Hovid Berhad in 2009 as an Accountant.

In 2010, she joined Old Town International Sdn Bhd as Financial Controller and subsequently held various senior leadership roles within the group, including Financial Controller of Oldtown Berhad and General Manager, Finance and Accounts at Kopitiam Asia Pacific Sdn Bhd. She was later promoted to Senior General Manager, overseeing finance, corporate secretarial, HR, IT, procurement, and internal audit functions. In 2020, she was involved in business integration and transition initiatives within the group. She continued her role as Finance Advisor with Super FI (M) Sdn Bhd, a subsidiary of Jacobs Douwe Egberts Holdings Asia NL. B.V., from January 2022 until her early retirement in April 2022.

She does not hold any directorships in other public companies or listed issuers. She has no family relationship with any Director and/or major shareholders of the Company and has no conflict of interest with the Group. She has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been subject to any public sanctions or penalties imposed by any regulatory authorities.

PROFILE OF DIRECTORS

cont'd

LOO PAK SOON

Independent Non-Executive Director



Age
64



Nationality
Malaysian



Gender
Male

Date of Appointment

22 August 2019

Number of Board Meetings Attended

6/6



Loo Pak Soon, a Malaysian, aged 64, is our Independent Non-Executive Director. He was appointed to the Board on 22 August 2019 as an Executive Director, subsequently redesignated as Non-Independent Non-Executive Director on 31 March 2021, and further redesignated to his present position of Independent Non-Executive Director on 1 April 2024.

He is the Chairperson of the Nomination Committee and a member of the Audit and Risk Management Committee as well as the Remuneration Committee.

He graduated with a Bachelor of Commerce (Honours) in Business Administration with major in Finance from the University of Windsor, Canada in 1984.

He began his career in 1984 in the banking industry, where he accumulated approximately 8 years of experience in commercial and merchant banking with several financial institutions, including Arab-Malaysian Credit Berhad (now known as AmCard Services Berhad), Arab-Malaysian Merchant Bank Berhad (now known as AmInvestment Bank Berhad), Lee Wah Bank Limited (now known as United Overseas Bank (Malaysia) Berhad), and Bank Buruh (Malaysia) Berhad (now known as BSNC Corporation Berhad).

In 1992, he joined NCK Corporation Berhad (now known as APB Resources Berhad), where he was involved in the restructuring and listing exercise of the company. He was subsequently appointed as Development Manager, where he was responsible for financial advisory, financial planning, and project development activities.

In 1993, he joined Powernet Industries Sdn Bhd as Financial Controller, overseeing the finance and accounting functions, including the listing exercise of Kumpulan Powernet Berhad (now known as Reneuco Berhad) in 2002. In 1996, during his tenure with the Group, he was also appointed as a Director of Ken Holdings Berhad, a position he held until 2006, further broadening his corporate leadership and board-level experience.

In 2016, he joined MTS Fibromat (M) Sdn Bhd as Chief Operating Officer, where he was responsible for overseeing the overall operations of the company until his resignation from the position in 2021.

He currently sits on the boards of several public listed companies, namely Malpac Holdings Berhad and Advance Synergy Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad.

He has no family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Group. He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have been no public sanctions or penalties imposed on him by any relevant regulatory bodies.

PROFILE OF DIRECTORS

cont'd

ILHAM BINTI UMAR THABII

Independent Non-Executive Chairperson



Age
39



Nationality
Malaysian



Gender
Female

Date of Appointment

27 August 2024

Number of Board Meetings Attended

6/6



Ilham Binti Umar Thabii, a Malaysian aged 39, was appointed to the Board on 27 August 2024. She serves as the Chairperson of the Remuneration Committee and is a member of the Nomination Committee as well as the Audit and Risk Management Committee.

She graduated with a Bachelor of Laws (Honours) from International Islamic University Malaysia in 2010 and a Diploma in Shariah Law and Practice from the same institution in 2014. She was admitted as an Advocate and Solicitor of the High Court of Malaya in 2011.

Ilham commenced her legal career with Zain & Co as a pupil-in-chambers and subsequently joined Mazlan & Associates in 2011 as a Legal Assistant, where she was involved in corporate transactions including mergers and acquisitions, capital markets proposals, and the establishment of private equity funds. In 2013, she joined Cyril & Co (now known as Cyril Zhafrri & Co) as a Partner, where she gained exposure in civil litigation cases.

In 2015, she co-founded Ilham Lee as a Partner of the firm, where she specialised in corporate and capital markets advisory, including initial public offerings (IPO), mergers and acquisitions, private equity transactions, and real estate-related matters. Following the cessation of the firm's operations in 2025, she co-founded MIUT Global Sdn Bhd, a consultancy firm, where she currently serves as Director, overseeing the overall operations of the company.

She currently sits on the boards of several non-listed public companies, namely Panda Eyes Group Berhad and Rentak Segar Group Berhad. She has no family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Group.

She has not been convicted of any offences within the past five (5) years other than traffic offences, if any and there have been no public sanctions or penalties imposed on her by any relevant regulatory bodies.

PROFILE OF KEY MANAGEMENT PERSONNEL



NADIAH FIRDAUS BINTI MOHD FIRDAUS

Chief Financial Officer



Age
42



Nationality
Malaysian



Gender
Female

Nadiyah Firdaus Binti Mohd Firdaus serves as the Chief Financial Officer of Fibromat (M) Berhad, where she provides strategic leadership over the Group's financial management, governance framework and operational discipline. Her responsibilities encompass the Group's financial stewardship and reporting functions, alongside oversight of key corporate and operational enablers supporting the Group's activities.

At the Group level, she oversees financial and operational governance across the Group's operating subsidiaries, encompassing manufacturing, project execution, trading and regional operations, while ensuring disciplined financial management, strong governance and alignment across all business segments. She plays a central role in upholding corporate compliance, ensuring adherence to Bursa Securities's ACE Market Listing Requirements and other applicable regulatory standards.

Nadiyah also plays a key role in strengthening the Group's governance framework, where she serves as the Chair of the Risk Management Committee ("RMC"), leading the Group's enterprise risk management framework, including risk identification, assessment, monitoring and mitigation. Under her leadership, the Group continues to enhance its internal control environment and risk governance practices in line with its expanding operations and evolving regulatory landscape. She also leads the advancement of the Group's Environmental, Social and Governance ("ESG") agenda, supporting the integration of sustainable practices into business operations and corporate reporting.

She holds a Diploma in Business Studies from Universiti Teknologi MARA, Malaysia (2006), a Bachelor of Accounting (Honours) from Universiti Tenaga Nasional, Malaysia (2012), and a Master of Business Administration from Anglia Ruskin University, United Kingdom (2017). She has been a member of the Malaysian Institute of Accountants (MIA) since 2015 and an ASEAN Chartered Professional Accountant since 2017.

She began her career in audit, gaining foundational experience in statutory audit and assurance engagements with Halim Ahmad & Co and Wan Nadzir & Co. She joined MTS Fibromat (M) Sdn Bhd in 2013 as an Internal Audit Officer and has since progressed through key leadership roles within the Group, including Accounts Manager (2015) and Senior Accounts Manager (2017), prior to her appointment as Chief Financial Officer in 2021.

She has been a key driver of the Group's financial and corporate transformation, playing an instrumental role in shaping its evolution from a privately held entity to a listed issuer on the LEAP Market and subsequently facilitating its successful transfer to the ACE Market of Bursa Malaysia Securities Berhad. Throughout this journey, she has strengthened the Group's financial architecture, capital management discipline and reporting framework to meet the heightened expectations of a listed environment.

Beyond the listing milestones, she has been central to enhancing the Group's governance framework, reinforcing internal controls, risk management practices and compliance standards in line with regulatory requirements and best practices. Her leadership has also supported the Group's operational scaling and organisational restructuring, ensuring that financial processes, performance monitoring and accountability structures remain robust and aligned with the Group's expanding business footprint.

Her continued leadership anchors the Group's financial resilience and positions it to navigate evolving market conditions with discipline and agility. She remains focused on advancing governance excellence, strengthening stakeholder confidence and supporting the delivery of sustainable, long-term value creation, while upholding high standards of transparency, accountability and corporate integrity.

She does not hold any directorship in other public companies or listed issuers. She has no family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Group.

She has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and no public sanctions or penalties have been imposed on her by any relevant regulatory authorities.

PROFILE OF KEY MANAGEMENT PERSONNEL

cont'd



PREM KAMIL BIN ALI

Senior Factory Manager



Age
48



Nationality
Malaysian



Gender
Male

Prem Kamil Bin Ali oversees the Group's factory and production operations, including manufacturing processes, operational planning, quality management and regulatory compliance.

He obtained a Diploma in Electrical and Electronic Engineering from Workers Institute of Technology, Malaysia (now known as Kolej W.I.T) in 1999.

He began his career in 1999 as a Technician with Today's Plastics Industries Sdn Bhd. In 2000, he joined Bando Electronics (Malaysia) Sdn Bhd as a Technician, where he was responsible for the maintenance of machinery used in the manufacturing of power transformers and reactors.

In September 2001, he joined ACE Polymers Industries Sdn Bhd as an Assistant Supervisor in the Production Department. In December 2001, he was transferred to the Logistics Department in the same capacity. In 2003, he was transferred to the Production Planning and Control Department as an Executive and was subsequently promoted to Manager in 2005. In 2007, he was further promoted to Senior Manager, overseeing both the Production Planning and Control Department and the Logistics Department.

In 2010, he left ACE Polymers Industries Sdn Bhd and ventured into entrepreneurship, establishing 2 tuition centres, namely Pusat Tuisyen Sains Dan Teknologi (which ceased operations in 2014) and Pusat Tuisyen Dunia Ilmu (which ceased operations in 2017), where he managed and operated a total of 5 tuition centres.

In 2014, he joined MTS Fibromat (M) Sdn Bhd as a Research, Development and Innovation Executive, where he was responsible for research and development, product testing, quality control and quality assurance of the Group's products. In recognition of his contributions and leadership, he was promoted to Assistant Manager in 2016. He was subsequently appointed as Factory Manager in 2023 and further promoted to Senior Factory Manager in March 2025, a position he currently holds.

During his tenure with the Group, he has played a significant role in strengthening the Group's manufacturing operations, regulatory compliance framework and quality management systems. Among his key contributions was the establishment of the Safety and Health Committee and the successful securing of regulatory approvals for the factory, machinery and compressor from the Department of Occupational Safety and Health Malaysia in 2018.

He was also instrumental in establishing the Fibromat Laboratory in 2015, which subsequently obtained accreditation under ISO/IEC 17025 from the Department of Standards Malaysia in 2018. Since 2022, he has served as the Management Representative for the Group's ISO 9001 and ISO 14001 certifications, and he has also overseen the certification process for ISO 45001.

He also played a key role in implementing product coding within the Group's management system to enhance operational efficiency and product traceability across the Group's manufacturing processes.

Under his leadership and involvement in sustainability and safety initiatives, the Group received Platinum recognition from the Department of Occupational Safety and Health Malaysia at the Selangor state level. The Group also received the Gold Award for Best Sustainable Energy and Water Efficiency under the "Satu Komuniti 1 Inisiatif Lestari" programme organised by Majlis Perbandaran Hulu Selangor.

Prem Kamil Ali does not hold any directorship in other public companies or listed issuers. He has no family relationship with any Director and/or major shareholders of the Company and has no conflict of interest with the Group.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have been no public sanctions or penalties imposed on him by any relevant regulatory bodies.

PROFILE OF KEY MANAGEMENT PERSONNEL

cont'd



**SHAUN
LIM CHEN JIEA**
*Senior Operation Manager –
Project & Contract*



Age
28



Nationality
Malaysian



Gender
Male

Shaun Lim Chen Jiea is the Senior Operation Manager – Project & Contract of MTS Fibromat (M) Sdn Bhd, where he is responsible for overseeing project contract administration and cost management, as well as supporting the execution of project and contractual functions within the Group.

He obtained his Bachelor of Science (Hons) in Quantity Surveying from Universiti Tunku Abdul Rahman (UTAR), Malaysia in 2021, after completing his Foundation in Science at the same institution.

He began his career in 2019 with HR Builder Enterprise Sdn Bhd, where he gained early exposure to contract administration and project documentation processes. In 2021, he joined EK Build Sdn Bhd as a Project Coordinator, where he supported project progress monitoring, site safety compliance, quality assurance processes, project costing, and cash flow reporting. He subsequently joined Everlast Builders Sdn Bhd as an Assistant Project Manager, where he assisted in project administration and regulatory coordination, including involvement in sewerage works at Pulau Indah Industrial Park and a slope stabilisation project in Mont Kiara.

In 2023, he joined MTS Fibromat (M) Sdn Bhd as Contract Manager and was subsequently promoted to his current position in 2025. In his present role, he is involved in contract administration, project costing, claims management, tendering, and final accounts, supporting the effective delivery of the Group's project and contract management activities.

He is regarded as a dependable and disciplined team member, with a structured approach to his work and the ability to support project execution and contractual administration within the Group.

Shaun Lim Chen Jiea does not hold any directorship in other public companies or listed issuers. He has no family relationship with any Director and/or major shareholders of the Company and has no conflict of interest with the Group.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have been no public sanctions or penalties imposed on him by any relevant regulatory bodies.

CHAIRPERSON'S STATEMENT

“
The Board takes confidence in Fibromat’s strengthening business platform and remains firmly focused on guiding the Group’s disciplined and sustainable long-term growth.
”

Dear
Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report of Fibromat (M) Berhad (“Fibromat” or “the Group”) for the financial year ended 31 December 2025 (“FY2025”).

FY2025 marks a significant step in Fibromat’s continuing corporate progression. The Group’s successful transfer from the LEAP Market to the ACE Market of Bursa Malaysia represents an important advancement in its evolution as a public listed issuer. This transition reflects the Group’s strengthening operational scale, improving financial discipline and progressively maturing governance framework, and places Fibromat on a firmer capital market footing to support its next phase of sustainable growth.

Since its establishment in 1999, Fibromat has methodically built its presence within the geotechnical and erosion control space. Over more than two decades, the Group has continued to deepen its execution capabilities, strengthen its manufacturing competencies and reinforce operational discipline. The Board remains encouraged by the measured and structured manner in which Management is advancing the Group’s strategic priorities.



PROF. DR. FAUZIAH BINTI AHMAD

*Independent Non-Executive Chairperson
Fibromat (M) Berhad*

FINANCIAL AND OPERATIONAL REVIEW

For the financial year under review, the Group delivered a solid financial performance underpinned by steady project execution and a resilient order book position. The Board notes Management’s continued focus on cost discipline, delivery reliability and prudent working capital management, which remain key success factors given the Group’s machinery-intensive and project-driven operating model.

CHAIRPERSON'S STATEMENT

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While the operating environment remains competitive and subject to external uncertainties, the Group's integrated operating platform, expanding technical capacity and healthy order book provide reasonable earnings visibility into the near to medium term. The Board will continue to exercise close oversight to ensure that the Group's growth initiatives are pursued in a balanced manner, with consideration given to financial discipline and risk management.

LEADERSHIP AND MANAGEMENT STRENGTH

The Board takes confidence in Fibromat's continued progress under the leadership of Mr. Ng Kian Boon, Managing Director and Chief Executive Officer, supported by an experienced and committed management team. Their disciplined execution, operational focus and deep familiarity with the Group's core engineering segments have been instrumental in advancing Fibromat's strategic agenda.

As the Group continues to scale following its ACE Market listing, the Board remains supportive of Management's ongoing initiatives to strengthen organisational depth, enhance technical bench strength and reinforce execution capabilities. The Board believes the Group is well supported by strong leadership and a capable management team, whose disciplined execution and operational focus continue to underpin Fibromat's steady advancement.

GOVERNANCE AND ETHICAL OVERSIGHT

The Board remains steadfast in its commitment to uphold high standards of corporate governance, recognising that robust governance practices are fundamental to sustaining investor confidence and long-term corporate resilience.

During FY2025, the Board, together with the Audit and Risk Management Committee, continued to exercise rigorous oversight over the Group's risk management framework, internal control environment and financial reporting integrity. The Group maintains a zero-tolerance stance towards bribery and corruption, supported by its Code of Conduct, Anti-Bribery and Corruption Policy and Whistleblowing framework. The Board notes that there were no confirmed incidents of corruption or material internal control failures reported during the financial year.

As Fibromat continues to mature within the listed environment, the Board will progressively enhance governance practices in line with the Malaysian Code on Corporate Governance and evolving Bursa Malaysia expectations.

SUSTAINABILITY AND ENVIRONMENTAL STEWARDSHIP

The Board recognises that sustainability considerations are increasingly integral to long-term value preservation and creation. Given the Group's involvement in erosion control, slope protection and ground improvement works, Fibromat is inherently well-positioned to contribute positively towards environmental protection and infrastructure resilience.

During the year under review, Management continued to enhance environmental performance monitoring, reinforce occupational health and safety practices and advance early alignment with the International Financial Reporting Standards Sustainability Disclosure Standards. While the Group's Environmental, Social, and Governance (ESG) journey remains in a developing phase, the Board supports Management's structured and phased approach towards strengthening sustainability governance, climate-related risk integration and data discipline.

The Board is particularly encouraged by the Group's continued strong safety performance, with zero work-related fatalities and zero lost time incidents recorded in FY2025. This achievement underscores the effectiveness of the Group's safety framework and the collective commitment of employees across all operating units.

APPRECIATION AND OUTLOOK

Looking ahead, the operating landscape is expected to remain competitive and subject to macroeconomic uncertainties. Nevertheless, supported by its strengthening operational platform, expanding vertical integration and healthy project pipeline, the Board believes Fibromat is positioned on a sound footing to pursue sustainable long-term growth.

On behalf of the Board, I would like to express our sincere appreciation to our shareholders for their continued confidence and support. We also extend our gratitude to our valued customers, business partners, bankers, consultants and regulatory authorities for their continued trust in Fibromat.

Finally, the Board records its appreciation to Mr. Ng Kian Boon, the management team and all employees of the Group for their dedication, resilience and professionalism throughout FY2025. Their collective commitment remains fundamental to Fibromat's continued advancement.

The Board remains committed to guiding Fibromat with prudence and strategic clarity as the Group progresses into its next phase of growth and value creation.

Thank you.

PROF. DR. FAUZIAH BINTI AHMAD

Independent Non-Executive Chairperson
Fibromat (M) Berhad

MANAGING DIRECTOR'S STATEMENT

Fibromat's successful transition to the ACE Market in 2025 marks a new phase of accelerated growth, supported by a strengthened order book, expanded operational capacity and enhanced market positioning.

Dear Shareholders,

The financial year ended 31 December 2025 marks a significant and progressive milestone in the journey of Fibromat (M) Berhad ("Fibromat" or "the Group"). Over the years, the Group has evolved with clear and deliberate strategic focus, strengthening its project execution depth, specialised engineering capabilities and manufacturing competencies, while remaining firmly anchored to its core expertise in geotechnical and erosion control solutions.

Since our incorporation on 16 August 1999, Fibromat has dedicated more than two decades to advancing erosion control and geotechnical engineering solutions in Malaysia. Throughout this journey, the Group has continued to promote the use of environmentally responsible and sustainable ("green") solutions in relevant slope protection, soil stabilisation and ground improvement applications. This long-standing commitment continues to support the Group's execution of geotechnical and erosion control works across its project portfolio.

During the year under review, Fibromat achieved a key corporate milestone with its successful transfer from the LEAP Market of Bursa Securities, where the Group was first listed in 2019, to the ACE Market of Bursa Malaysia in 2025. This transition reflects the Group's continued progression in operational scale, financial discipline and corporate governance, and positions Fibromat on a stronger capital market platform to support its next phase of sustainable growth.

NG KIAN BOON

*Managing Director and
Chief Executive Officer*



MANAGING DIRECTOR'S STATEMENT

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OPERATIONAL PERFORMANCE

Throughout the financial year, Management remained focused on execution reliability, operational efficiency and disciplined order book replenishment. Fibromat operates as an execution-driven geotechnical solutions provider, covering product manufacturing, supply, engineering support and installation services.

This integrated operating model enables the Group to maintain closer control over quality assurance, cost management and project delivery timelines, which are critical success factors within the infrastructure and ground engineering sector. Our machinery-intensive platform remains a key operational differentiator, supported by structured preventive maintenance programmes, disciplined spare parts planning and continuous technical capability enhancement to safeguard fleet readiness and minimise operational disruptions.

During the year, the Group further strengthened its manufacturing and supply chain capabilities to reinforce the benefits of vertical integration. These initiatives remain particularly important in the current operating environment, where cost discipline, delivery certainty and product reliability remain key competitive considerations.

Importantly, the Group's more than 20 years of specialised industry experience in erosion control and geotechnical solutions, with a strong emphasis on environmentally sustainable methodologies, continues to support Fibromat's execution confidence across diverse project environments, including highways, infrastructure corridors, land development and environmentally sensitive areas.

The Group's organisational capacity has also expanded in line with its growing operational scale following the ACE Market listing. Total workforce strength increased from 88 personnel as disclosed in the Prospectus to 201 personnel as at 31 December 2025. This expansion primarily reflects the Group's efforts to strengthen project execution depth, technical capabilities and operational support functions to meet the demands of a larger order book and expanding business activities. Management remains mindful of maintaining productivity discipline and continues to align manpower growth with project pipeline visibility and operational requirements.

EXPANSION OF VERTICALLY INTEGRATED PVD PLATFORM

During the financial year under review, the Group undertook a strategic capacity expansion within its Design and Installation segment through the progressive establishment of an in-house Prefabricated Vertical Drain ("PVD") installation capability. This initiative strengthens the Group's ability to deliver ground improvement works more efficiently while enhancing service integration within its existing project execution activities.

As part of this initiative, Fibromat invested in five units of hydraulic excavators amounting to RM3.19 million, which are currently undergoing utilisation ramp-up. This investment was funded from the utilisation of proceeds raised pursuant to the Group's listing exercise, in line with the intended deployment towards machinery acquisition and capacity enhancement.

Concurrently, to operationalise a fully integrated PVD installation team, the Group further acquired additional hydraulic excavator machinery equipped with stitchers totalling RM8.24 million, together with other specialised PVD-related equipment amounting to RM0.77 million. In aggregate, the Group committed approximately RM12.41 million towards the establishment of its in-house PVD installation capability.

This strategic investment strengthens Fibromat's vertical integration across the PVD value chain, from in-house manufacturing through to on-site installation, thereby enhancing execution control, margin retention and operational responsiveness within the Design and Installation segment. The Board views this development as an important step in reinforcing the Group's technical delivery platform and long-term competitiveness in the ground improvement sector.

FINANCIAL PERFORMANCE AND ORDER BOOK POSITION

The financial year ended 31 December 2025 marked an important year of delivery for Fibromat following its successful transfer to the ACE Market of Bursa Malaysia. The Group recorded a solid set of financial results, underpinned by steady project execution, improving operational scale and sustained demand across its manufacturing, trading, and design and installation activities.

For FY2025, the Group achieved revenue of RM113.48 million and profit after tax of RM16.39 million, reflecting the continued strength of the Group's core engineering and project delivery capabilities. Gross profit margin improved to 30%, supported by favourable project mix, operational efficiency and disciplined cost management. Overall, the Board is encouraged by the Group's ability to translate its growing order pipeline into strong earnings performance during the year.

A key indicator of the Group's earnings visibility remains its unbilled order book. As at 31 December 2025, Fibromat's total order book stood at approximately RM358.62 million across 74 projects, providing strong revenue visibility into FY2026 and beyond.

The Design and Installation segment remained a major contributor to the Group's order book, supported by geotechnical and erosion control works amounting to RM45.36 million across 54 projects. Within this

MANAGING DIRECTOR'S STATEMENT

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segment, hydroseeding and soil nailing works formed the largest components, reflecting sustained demand for slope protection, ground stabilisation and infrastructure resilience solutions.

The Group's road works activities also continued to contribute significantly, with the CSR A2 package amounting to RM265.20 million. This project continues to progress in accordance with the planned work schedule and represents a significant earnings driver over the medium term.

Meanwhile, the Group's Prefabricated Vertical Drain ("PVD") activities, which form part of the Design and Installation segment, recorded RM48.06 million across 19 projects, demonstrating continued traction in ground improvement works, particularly in infrastructure and earthworks-related developments.

The diversified composition of the order book across geotechnical solutions, road infrastructure and PVD works provides the Group with a balanced earnings base and reduces concentration risk across any single project category.

Looking ahead, supported by a resilient order book, active tender pipeline and continued alignment with national infrastructure priorities, the Board remains cautiously optimistic on the Group's prospects. Management will continue to focus on disciplined project execution, margin preservation and prudent capital management to ensure that Fibromat is well positioned to sustain its growth trajectory and deliver long-term value to shareholders.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

Sustainability is firmly embedded within Fibromat's long term strategic agenda and is progressively integrated into the way the Group evaluates risk, allocates capital and executes its operations. As a provider of erosion control and geosynthetic engineering solutions that directly support environmental protection and infrastructure resilience, the Group recognises both the responsibility and the opportunity to contribute meaningfully to sustainable development outcomes.

During the financial year under review, Fibromat continued to strengthen the institutionalisation of ESG practices across the organisation. Guided by our structured sustainability framework anchored on the Economic, Environmental, Social and Governance pillars, the Group is progressively embedding sustainability considerations into strategic planning, operational discipline and performance monitoring.

ENVIRONMENTAL RESPONSIBILITY AND CLIMATE ALIGNMENT

Fibromat's core business activities, including soil stabilisation, slope protection and coastal reinforcement, play a direct role in mitigating land degradation and enhancing climate resilience. As infrastructure development continues to advance across our operating markets, the Group remains focused on delivering engineering solutions that are durable, resource efficient and aligned with environmental protection objectives.

In parallel, the Group has continued to enhance visibility over its environmental footprint. During the year, Management monitored key environmental indicators, including energy consumption, greenhouse gas emissions and water usage, in line with Bursa Malaysia's Common Sustainability Indicators. The Group also commenced phased adoption efforts towards the IFRS Sustainability Disclosure Standards, namely IFRS S1 and IFRS S2, representing an important step towards strengthening the quality, consistency and global comparability of our sustainability disclosures.

While we acknowledge that our ESG reporting maturity remains at a developing stage, the Board and Management are committed to progressively strengthening climate related risk integration, data governance and internal reporting capabilities in line with evolving regulatory and investor expectations.

HUMAN CAPITAL AND WORKPLACE SUSTAINABILITY

The Group's continued growth is underpinned by the capability, safety and engagement of its workforce. Given the technical and machinery intensive nature of the Group's operations, Fibromat maintains a disciplined focus on occupational health and safety governance.

I am pleased to report that the Group recorded zero work related fatalities and zero lost time incidents in FY2025. This outcome reflects the effectiveness of our structured Occupational Health and Safety framework, ongoing safety training initiatives and site level safety discipline. The Board and Management remain steadfast in reinforcing a strong safety culture as the Group expands its operational footprint.

In the area of talent sustainability, Fibromat continues to invest in structured training, performance management and employee engagement initiatives to support workforce capability and retention. While employee turnover increased during the year in tandem with business expansion, Management has intensified its focus on strengthening organisational depth, succession planning and employee value proposition to support sustainable execution capacity over the medium to long term.

MANAGING DIRECTOR'S STATEMENT

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Beyond the workplace, the Group remains committed to contributing positively to the communities in which it operates. During FY2025, Fibromat supported selected educational and community initiatives, reinforcing our commitment to maintaining a responsible social licence to operate. Over time, the Group intends to further formalise its community investment approach to enhance impact measurement and alignment with broader sustainability priorities.

GOVERNANCE EXCELLENCE AND ETHICAL CONDUCT

Strong governance discipline remains fundamental to Fibromat's long term credibility as a listed issuer. The Board, supported by the Audit and Risk Management Committee, continues to exercise active oversight over risk management framework, internal controls system and the integrity of sustainability related disclosures.

The Group maintains a zero tolerance stance towards bribery and corruption, supported by its Code of Conduct, Anti Bribery and Corruption Policy and Whistleblowing framework. During the financial year, Fibromat recorded no confirmed incidents of corruption or substantiated data privacy breaches, underscoring the robustness of our governance controls and ethical culture.

Notwithstanding this, the Group remains forward looking in strengthening its governance architecture, particularly in the areas of corruption risk assessment coverage, cybersecurity resilience and supply chain oversight, in line with the expectations of an evolving listed environment.

THE ROAD AHEAD

FY2025 represents an important baseline year in Fibromat's structured ESG journey. While the Group has established a sound governance and reporting foundation, the next phase will focus on deepening integration, enhancing measurement sophistication and sharpening accountability across the organisation.

Key priorities moving forward include the progressive formalisation of sustainability governance structures, continued enhancement of climate related disclosures in line with the National Sustainability Reporting Framework roadmap, strengthening of workforce sustainability initiatives and the advancement of responsible supply chain practices.

The Board and Management remain committed to ensuring that Fibromat's growth trajectory is supported by disciplined governance, responsible environmental stewardship and strong social foundations. The Group believes this balanced approach will position Fibromat to deliver resilient, sustainable and long term value for shareholders and stakeholders alike.

As the Group advances into its next phase of growth following the ACE Market listing, the Board and Management remain firmly focused on disciplined execution, prudent capital management and the continued strengthening of our technical and operational capabilities. While the operating environment is expected to remain competitive and subject to macroeconomic uncertainties, the Group believes it is well positioned to leverage its integrated platform, growing order book and expanding execution capacity to pursue sustainable long-term growth.

On behalf of the Board and Management, I would like to extend our sincere appreciation to our valued shareholders, customers, business partners, bankers, consultants and regulatory authorities for their continued trust and support throughout the year.

I would also like to record my deepest gratitude to the management team and all employees across the Group for their dedication, resilience and professionalism in delivering another year of meaningful progress for Fibromat. Their collective commitment remains fundamental to the Group's continued advancement.

We remain committed to executing our strategies with discipline and to delivering resilient and sustainable value to our shareholders and stakeholders in the years ahead.

Thank you.

NG KIAN BOON

Managing Director and Chief Executive Officer
Fibromat (M) Berhad

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GROUP BUSINESS AND OPERATIONS

Fibromat (M) Berhad (“**Company**”) is an investment holding company. Through its subsidiaries (“**Group**”), the Group is principally involved in the provision of geotechnical solutions for erosion control, ground improvement, as well as sediment control, filtration and containment lining, detailed as below:

Services	Description
Erosion control	Engineering techniques administered to maintain soil stability, reduce the risk of flood and landslides, prevent damage to infrastructure and properties, protect water quality and preserve natural habitats
Ground improvement	Engineering techniques administered to improve the properties of the soil to withstand the weight on its surface, improving soil strength and compactness and to reduce soil settlement
Sediment control	Engineering techniques administered to prevent soil particles and sediment from flowing into bodies of water which causes pollution and flooding, remove suspended particles and contaminants from water, and/or to ensure the integrity and stability of containment structures, landfills, ponds, and reservoirs

The Group’s geotechnical solutions comprise design, manufacturing and installation of geotechnical solutions using geosynthetics, erosion control and/or biomass products. We are also involved in the trading of geosynthetics and erosion control products.

The Group’s geotechnical solutions are used in a diverse range of project types such as projects for residential and commercial development, infrastructure development, land reclamation, road construction, railway construction, soil stabilisation, landscaping, and river and coastal protection. Our customer base mainly comprises contractors and project owners.

On 8 May 2025, the Group has successfully transferred its listing from the LEAP Market to the ACE Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), which marks an important milestone in its journey towards becoming a reputable manufacturer of erosion control related products in Asia. With proceeds of RM17.75 million raised from the initial public offering (“**IPO**”) exercise, the Group will utilise it to execute its business expansion plans and strategies in accordance with the proposed utilisation of proceeds stated in the Prospectus dated 11 April 2025.

REVIEW OF FINANCIAL RESULTS

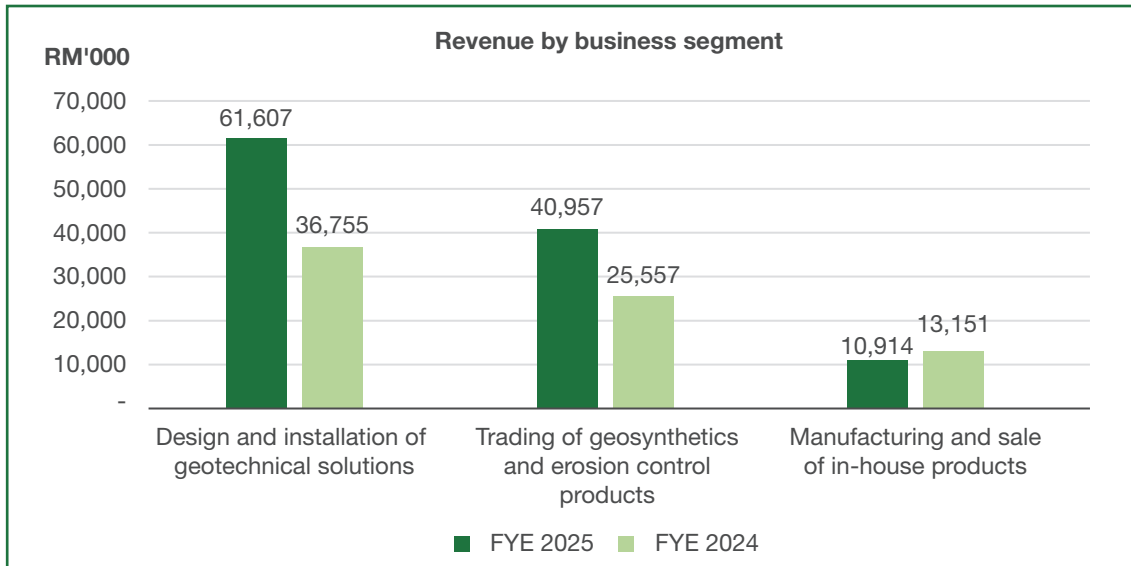
The following table sets out the financial results of the audited consolidated financial information for the past 2 financial years ended 31 December (“**FYE**”) 2024 and 2025.

	FYE 2025	FYE 2024	Variance (RM’000)	Variance (%)
Revenue (RM’000)	113,478	75,463	38,015	50.38
Gross profit (“ GP ”) (RM’000)	33,850	20,707	13,143	63.47
Profit before tax (“ PBT ”) (RM’000)	22,614	13,431	9,183	68.37
Profit after tax (“ PAT ”) (RM’000)	16,388	9,974	6,414	64.31
GP margin (%)	29.83	27.44	N/A	N/A
PBT margin(%)	19.93	17.80	N/A	N/A
PAT margin(%)	14.44	13.22	N/A	N/A

MANAGEMENT DISCUSSION AND ANALYSIS

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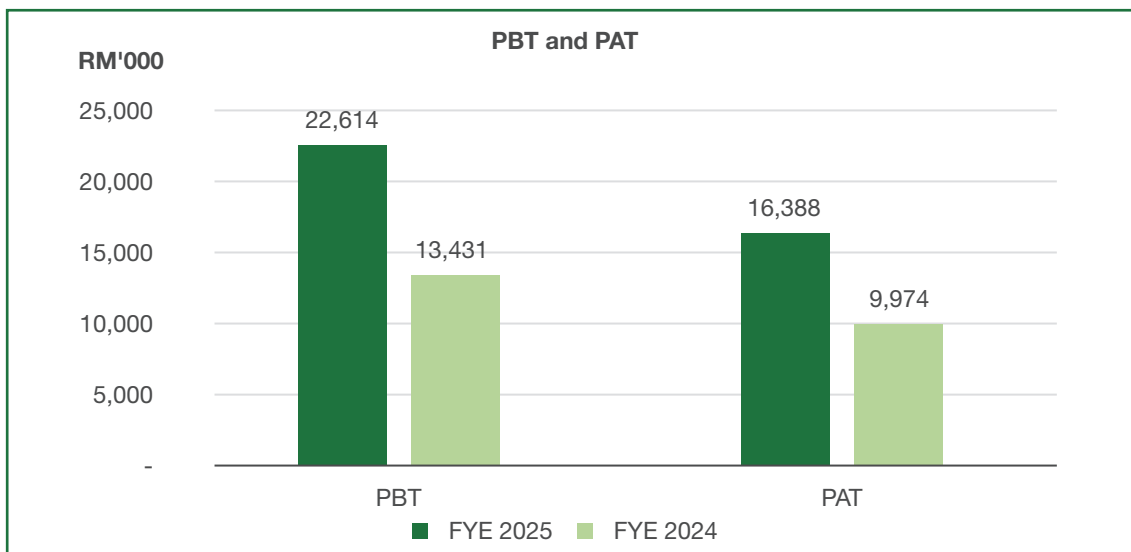
Revenue



The Group's revenue increased by RM38.02 million or 50.38% to RM113.48 million for FYE 2025 (FYE 2024: RM75.46 million), primarily attributable to higher revenue from the design and installation of geotechnical solutions segment and trading of geosynthetics and erosion control products segment. The higher revenue from the design and installation of geotechnical solutions was mainly derived from the project of road infrastructure in Gua Musang, Kelantan.

The Malaysian market was the Group's primary revenue contributor, contributing RM112.79 million or 99.39% to the total revenue for FYE 2025 (FYE 2024: RM72.63 million or 96.25%).

PBT and PAT



The Group's PBT increased by RM9.18 million or 68.37% to RM22.61 million for FYE 2025 (FYE 2024: RM13.43 million) and PBT margin increased from 17.80% for FYE 2024 to 19.93% for FYE 2025, mainly attributable to higher GP for FYE 2025 as a result of higher revenue recorded for FYE 2025 as explained above. The said increase was partially offset by the increase in administrative expenses, primarily due to non-recurring listing expenses of RM1.46 million incurred during FYE 2025. Correspondingly, the Group's PAT increased by RM6.41 million or 64.31% to RM16.39 million for FYE 2025 (FYE 2024: RM9.97 million) and PAT margin increased from 13.22% for FYE 2024 to 14.44% for FYE 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

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REVIEW OF FINANCIAL POSITION

The following table sets out the financial position of the audited consolidated financial information as at 31 December (“FYE”) 2024 and 2025.

	FYE 2025	FYE 2024	Variance (RM'000)	Variance (%)
Total assets (RM'000)	143,551	80,734	62,817	77.81
Total liabilities (RM'000)	55,529	26,061	29,468	113.07
Total shareholders' equity (RM'000)	88,022	54,673	33,349	61.00
Cash and cash equivalents (RM'000)	6,367	4,494	1,873	41.68
Borrowings (RM'000)	36,291	11,552	24,739	214.15
Net asset per share (RM)	0.35	0.25	N/A	N/A
Current ratio (times)	3.27	3.04	N/A	N/A
Gearing ratio (times)	0.41	0.21	N/A	N/A

Total assets

The Group's total assets increased by RM62.82 million or 77.81% to RM143.55 million as at 31 December 2025 (as at 31 December 2024: RM80.73 million), mainly due to an increase in property, plant and equipment, as the Group purchased mainly plant and machinery during FYE 2025. The Group also recorded an increase in contract assets, mainly due to work performed ahead of billing milestones, coupled with pending certifications from customers.

Total liabilities

The Group's total liabilities increased by RM29.47 million or 113.07% to RM55.53 million as at 31 December 2025 (as at 31 December 2024: RM26.06 million), mainly due to increase in borrowings primarily resulting from drawdown of term financing and term loans for working capital purposes as well as increase in hire purchase liabilities resulting from higher purchase of plant and machinery via hire purchase arrangement during FYE 2025.

Total shareholders' equity and capital structure

The Group's total shareholders' equity increased by RM33.35 million or 61.00% to RM88.02 million as at 31 December 2025 (as at 31 December 2024: RM54.67 million), mainly resulting from the issuance of shares pursuant to the IPO exercise as well as the increase in retained earnings that resulted from the net profits recorded for FYE 2025.

Liquidity and capital resources

The cash and cash equivalents increased by RM1.87 million or 41.68% to RM6.37 million as at 31 December 2025 (as at 31 December 2024: RM4.50 million), mainly due to proceeds received from the public issue in conjunction with the Group's listing on ACE Market of Bursa Securities (“Public Issue”) as well as drawdown of term financing for working capital purposes. These were partially offset by the cash purchase of property, plant and equipment. The Group's borrowings increased by RM24.74 million or 214.15% to RM36.29 million as at 31 December 2025 (as at 31 December 2024: RM11.55 million), mainly due to drawdown of term financing and term loans for working capital purposes as well as increase in hire purchase liabilities resulting from higher purchase of plant and machinery via hire purchase arrangement during FYE 2025.

Capital expenditure

The Group recorded an increase in capital expenditure by RM28.30 million or 1,149.63% to RM30.77 million for FYE 2025 (FYE 2024: RM2.46 million), which comprise mainly plant and machinery to facilitate the Group's future operations.

MANAGEMENT DISCUSSION AND ANALYSIS

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REVIEW OF OPERATING ACTIVITIES

In anticipation of the increasing demand for biodegradable products for erosion control, the Group intends to introduce a new product, which is a fully biodegradable erosion control blanket using jute netting. Erosion control blankets using jute netting are made from the interwoven fibres of jute plants, a natural material, thus giving rise to higher biodegradable properties, as compared to the existing erosion control blankets which uses photodegradable polypropylene netting which is a form of synthetic material. Given that this erosion control blanket using jute netting is fully biodegradable, it provides the Group with the competitive advantage to compete with other industry players. This aids in maintaining the Group's competitiveness in the industry by offering a wider range of products to customers. The Group also intends to continue expanding market presence in East Malaysia, in which the Group intends to secure more contracts to supply erosion control blankets. Hence, it is important for the Group to have the manufacturing capability to capture the demand for erosion control blankets using jute netting should the demand arise.

To support its strategic expansion, the Group intends to enhance its manufacturing capabilities at the Rasa Factory through the acquisition of erosion control blanket stitching machines for the production of erosion control blankets using jute netting. These investments are expected to improve operational efficiency, optimise production processes and provide greater manufacturing flexibility. Given the biodegradable nature of erosion control blankets, production will be aligned with confirmed orders to support a just-in-time delivery model. The machines are also capable of producing the Group's existing range of erosion control blankets using photodegradable polypropylene netting, thereby strengthening capacity to accommodate potential increases in demand.

In line with its strategic objective to enhance vertical integration and strengthen execution capabilities, the Group has successfully established its in-house Prefabricated Vertical Drain ("PVD") installation capability within the stipulated post-Listing timeframe. This marks a key milestone in the Group's transition towards a more integrated geotechnical solutions provider.

The Group's PVD installation capability is supported by specialised hydraulic rigs mounted on excavators, equipped with data loggers, enabling installation depths of up to 55 metres. This reflects the Group's established technical capability and operational readiness in undertaking specialised ground improvement works.

With capabilities spanning from manufacturing through to on-site installation, the Group now operates an integrated model that enables greater control over project execution, improved cost management and enhanced delivery efficiency. This positions the Group to optimise value capture across the project lifecycle while reinforcing its technical expertise in delivering comprehensive geotechnical and erosion control solutions.

The establishment of in-house PVD installation capability reduces dependency on external contractors, enhances margin sustainability and strengthens the Group's ability to undertake larger-scale and more complex projects. This strategic expansion is aligned with the Group's growing order book and supports its long-term growth and operational scalability.

ANTICIPATED OR KNOWN RISK

- (i) The absence of long-term contracts may result in the fluctuation of the Group's performance;
- (ii) The Group is exposed to project management risks;
- (iii) The Group may be subject to credit risk and default in payment by the customers;
- (iv) The Group is exposed to competition within the geotechnical solutions industry;
- (v) The growth of the Group is dependent on the growth of the infrastructure construction industry; and
- (vi) The Group is exposed to interest rate risks.

MANAGEMENT DISCUSSION AND ANALYSIS

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FUTURE PROSPECT AND OUTLOOK

The Group closes the financial year 2025 with a resilient unbilled order book of approximately RM358.62 million, providing strong earnings visibility and operational continuity into the financial year 2026. Project execution remains on track, supported by disciplined operational management, cost control measures, and efficient resource deployment.

Malaysia's continued emphasis on infrastructure development and climate resilience is expected to present sustained opportunities for the Group. Ongoing government focus on flood mitigation, slope stabilisation and drainage improvement initiatives, as reflected in recent national budgets and development plans, underscores a long-term commitment to strengthening climate-resilient infrastructure. These developments are expected to provide a strong and sustained pipeline of opportunities for the Group, reinforcing its growth prospects, supported by its established capabilities and strategic positioning within the geotechnical and erosion control solutions sector.

These national priorities are directly aligned with the Group's specialised engineering capabilities, generating sustained demand for ground improvement, geotechnical solutions, erosion control, and related infrastructure works. The Group's proven technical track record, selective tender participation, and operational discipline position it to capture high-value opportunities effectively as they arise.

Ongoing government and infrastructure initiatives, including flood mitigation, slope rehabilitation, drainage upgrading, and riverbank protection, are expected to sustain recurring demand for the Group's specialised ground engineering solutions. With a strong order book, active tender pipeline, and alignment to national infrastructure priorities, the Board is confident that the Group is well-positioned to maintain growth momentum, capitalise on emerging opportunities, and deliver long-term value to shareholders in financial year 2026 and beyond.

DIVIDEND

For the FYE 31 December 2025, the Board did not declare any dividend in order to prioritise the retention of earnings to fund the Group's expansion, enhance its operational capacity and support the execution of its growing project portfolio.

FIVE (5)-YEARS FINANCIAL HIGHLIGHTS

Financial year ended 31 December	FYE 2025	FYE 2024	FYE 2023	FYE 2022	FYE 2021
Financial results					
Revenue (RM'000)	113,478	75,463	68,300	47,953	45,787
Gross profit ("GP") (RM'000)	33,850	20,707	17,136	10,535	11,798
Profit before tax ("PBT") (RM'000)	22,614	13,431	11,229	5,434	7,848
Profit after tax ("PAT") (RM'000)	16,388	9,974	8,490	3,537	5,753
Financial position					
Total assets (RM'000)	143,551	80,734	71,359	63,486	61,016
Total liabilities (RM'000)	55,529	26,061	24,500	22,957	21,000
Total shareholders' equity (RM'000)	88,022	54,673	46,859	40,529	40,016
Cash and cash equivalents (RM'000)	6,367	4,494	4,137	603	4,406
Borrowings (RM'000)	36,291	11,552	9,668	16,073	13,221
Key financial ratios					
GP margin (%)	29.83	27.44	25.09	21.97	25.77
PBT margin(%)	19.93	17.80	16.44	11.33	17.14
PAT margin(%)	14.44	13.22	12.43	7.38	12.56
Current ratio (times)	3.27	3.04	3.00	3.24	2.82
Gearing ratio (times)	0.41	0.21	0.21	0.40	0.33
Earnings per share (1)	6.91	4.62	3.93	1.64	2.66

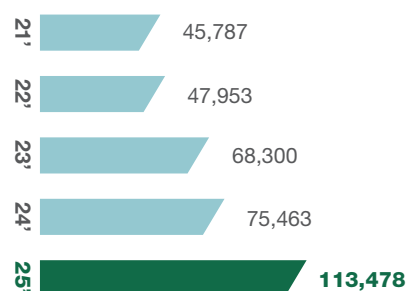
Note:

- (1) Calculated based on the Company's weighted average number of ordinary shares of 237,222,575 ordinary shares for 31 December 2025 and 216,000,000 ordinary shares for 31 December 2021 to 31 December 2024.

REVENUE

Increase **50.38%** 

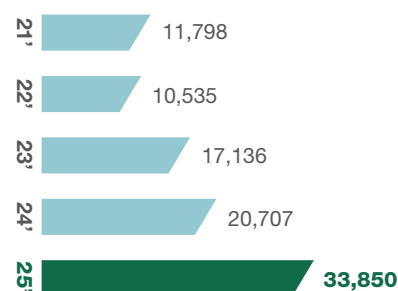
(RM'000)



GROSS PROFIT

Increase **63.47%** 

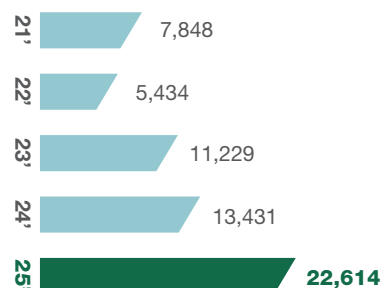
(RM'000)



PROFIT BEFORE TAX

Increase **68.37%** 

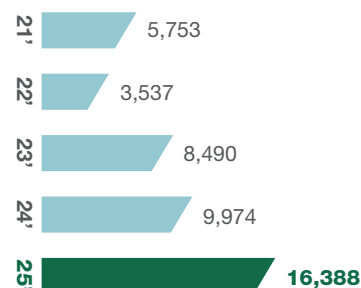
(RM'000)



PROFIT AFTER TAX

Increase **64.31%** 

(RM'000)



SUSTAINABILITY STATEMENT



SUSTAINABILITY STATEMENT

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ABOUT THIS STATEMENT

Fibromat (M) Berhad (“Fibromat” or “the Group”) is pleased to present this Sustainability Statement for FY 2025, outlining our approach, progress, and priorities in managing material sustainability matters. This statement reflects Fibromat’s ongoing commitment to responsible business practices, operational excellence, and long-term value creation. Guided by clearly defined objectives and continuous improvement, we strive to operate efficiently while contributing positively to our stakeholders and the wider community.

OUR KEY BUSINESS ACTIVITIES

Fibromat operates as an integrated provider of erosion control and geosynthetic solutions, covering product manufacturing, supply, engineering design, and installation services. The Group’s solutions support soil stabilisation, slope protection, embankment and riverbank reinforcement, and coastline erosion control across infrastructure, construction, and environmental projects.

These activities contribute to environmental protection and climate resilience by mitigating soil erosion, reducing land degradation, and enhancing the long-term stability of natural and built environments. Fibromat emphasises responsible product design, quality assurance, and efficient resource use to ensure product durability, performance, and reduced lifecycle impacts.

The Group embeds Environmental, Social, and Governance (“ESG”) considerations across its operations through responsible manufacturing practices, prioritisation of workplace safety and employee wellbeing, ethical supply chain management, and strong governance oversight. Through these efforts, Fibromat aims to deliver sustainable engineering solutions while creating long-term value for clients, communities, and the environment.

REPORTING GUIDELINES, FRAMEWORKS AND STANDARDS

This Sustainability Statement has been prepared in compliance with Bursa Malaysia’s ACE Market Listing Requirements, with reference to the National Sustainability Reporting Framework (“NSRF”) issued by the Advisory Committee on Sustainability Reporting (“ACSR”). It reflects Fibromat’s commitment to integrating ESG considerations into its business strategy, operations, and decision-making, and aligns with relevant national and international sustainability frameworks and best practices, including:

Corporate Governance and Global Sustainability Alignment

- Malaysian Code on Corporate Governance (“MCCG”) by the Securities Commission Malaysia
- United Nations Sustainable Development Goals (“UNSDGs”)
- Task Force on Climate-related Financial Disclosures (“TCFD”) Recommendations (Part of IFRS Foundation¹)



Reporting Frameworks

- National Sustainability Reporting Framework (“NSRF”)²
- IFRS Sustainability Disclosure Standards (S1 and S2) issued by the IFRS Foundation¹
- International <Integrated Reporting> Framework and Integrated Thinking Principles (Part of IFRS Foundation¹)



SUSTAINABILITY STATEMENT

cont'd

International Standards and Guidelines

- AccountAbility Standards
 - AA1000 AccountAbility Principles
 - AA1000 Stakeholder Engagement Standard
- International Workshop Agreements (“IWA”)
 - IWA 48:2024 – Framework for Implementing Environmental, Social and Governance (“ESG”) Principles
 - IWA 42:2022 – Net Zero Guidelines
- International Organisation for Standardisation (“ISO”)
 - ISO 14064-1:2018 – Greenhouse Gases (“GHG”) Standard
 - ISO 20400:2017 – Sustainable Procurement – Guidance
 - ISO 59004:2024 – Circular Economy – Vocabulary, Principles and Guidance for Implementation
 - ISO 59020:2024 – Circular Economy – Measuring and Assessing Circularity Performance



¹ The Group commenced the adoption of the IFRS Sustainability Disclosure Standards in its financial year ended 31 December 2025 (“FYE 2025”), marking a significant step towards aligning with global best practices in sustainability reporting. As part of this initial phase, the Group has begun applying the core principles of both IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures).

As of 31 December 2025, no additional IFRS Sustainability Disclosure Standards had been issued by the International Sustainability Standards Board (“ISSB”).

While the Group has taken active steps to incorporate the IFRS S1 and S2 frameworks, the adoption is not yet comprehensive. The Group is progressively enhancing its reporting practices to align more fully with these standards over time, in line with internal readiness, data availability and evolving regulatory requirements.

² The NSRF outlines Malaysia’s strategic approach to adopting the IFRS S1 and S2 issued by the ISSB. The framework serves as a national baseline for consistent, comparable and reliable sustainability reporting, aimed at enhancing investor confidence and strengthening Malaysia’s global competitiveness.

Implementation of the NSRF will be phased starting from 2025, with full adoption—including mandatory disclosures of Scope 1 and Scope 2 greenhouse gas (“GHG”) emissions—required by 2027 for larger entities. In addition to disclosure requirements, the NSRF also sets out the development of assurance requirements to enhance the credibility and integrity of sustainability-related information disclosed by companies. Reporting Period, Scope and Basis of

REPORTING PERIOD, SCOPE AND BASIS OF SCOPE

This Sustainability Statement has been prepared for Fibromat in accordance with the Malaysian Financial Reporting Standards (“MFRS”) issued by the Malaysian Accounting Standards Board (“MASB”) and the relevant sustainability disclosure requirements under Chapter 9 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Statement also refers to Guidance Note 11A, which outlines the saving and transitional provisions applicable to Sustainability Statements.

This Statement covers the financial year from 1 January 2025 to 31 December 2025, consistent with Fibromat’s financial reporting period. The scope of reporting encompasses the Group’s direct operations and, where relevant, its extended value chain, in line with the Group’s consolidated financial statements. Fibromat also considers sustainability-related risks and opportunities across short-, medium-, and long-term horizons to support strategic planning, operational resilience, and long-term value creation.

All financial information and disclosures presented in this Statement are expressed in Malaysian Ringgit (“MYR”), consistent with the currency used in the Group’s consolidated financial statements.

SUSTAINABILITY STATEMENT

cont'd

BOARD OF DIRECTORS' APPROVAL

The Board of Directors has reviewed and approved this Sustainability Statement, confirming that it presents a fair, balanced and accurate account of the Group's sustainability performance and initiatives for the reporting year. The Board assumes overall responsibility for the integrity of this Statement, supported by the Group's strong governance framework and robust internal reporting and control processes.

ASSURANCE

The sustainability performance data disclosed in this report are primarily derived from Fibromat's internal monitoring systems, operational records, and management reporting processes. These systems are designed to support the accuracy, reliability, and consistency of the information reported.

For the current reporting period, Fibromat has not engaged an independent assurance provider to verify the sustainability disclosures. The Group will continue to review its reporting processes and may consider obtaining external assurance in the future to further enhance the credibility and transparency of its sustainability reporting.

FORWARD-LOOKING STATEMENTS

This Sustainability Statement may include forward-looking statements relating to Fibromat's sustainability objectives, strategies, and future plans. Such statements are based on current expectations and assumptions and are subject to risks and uncertainties that may cause actual outcomes to differ. Readers are advised to interpret these statements with due care.

FEEDBACK

Fibromat values feedback from its stakeholders as part of its continuous improvement efforts. For comments, enquiries, or suggestions regarding this Sustainability Statement or the Group's sustainability practices, please contact us at: corporate@fibromat.my

BOARD GOVERNANCE AND SUSTAINABILITY OVERSIGHT

The Board governance structure of Fibromat underscores the Group's commitment to sustainable and responsible growth by aligning business strategies with long-term sustainability considerations. Sustainability is progressively integrated into the Group's operations to promote responsible, ethical, and transparent practices. The governance framework establishes clear oversight and accountability for identifying, managing, and monitoring sustainability-related matters across the Group.

Board of Directors

**Audit and Risk
Management Committee**

Nomination Committee

Remuneration Committee

**Management-level
Sustainability Oversight**

SUSTAINABILITY STATEMENT

cont'd

BOARD OF DIRECTORS

The Board provides overall oversight of Fibromat’s sustainability direction and ensures that sustainability considerations are incorporated into the Group’s strategic planning and decision-making processes. The Board reviews key sustainability-related risks, opportunities, and performance indicators, and monitors the progress of sustainability initiatives implemented across the Group, providing guidance to support continuous improvement.

AUDIT AND RISK MANAGEMENT COMMITTEE (“ARMC”)

The ARMC supports the Board in overseeing risk management, internal controls, regulatory compliance, and the integrity of sustainability-related disclosures. The Committee also reviews matters relating to sustainability reporting, including the appointment of independent assurance providers for selected sustainability information, where applicable, to enhance the reliability and credibility of disclosures in accordance with relevant standards and regulatory guidance.

MANAGEMENT-LEVEL SUSTAINABILITY OVERSIGHT

At the operational level, sustainability matters are currently overseen by the Management, with responsibilities assigned across relevant functions and departments to support the implementation of sustainability initiatives. Fibromat recognises the importance of a structured sustainability governance and has established a dedicated sustainability committee or working group. The proposal was presented and approved by ARMC.

STAKEHOLDER ENGAGEMENT

Fibromat recognises that strong and constructive stakeholder relationships are essential to sustainable business performance and long-term value creation. Our key stakeholders include customers, employees, suppliers, shareholders, regulators, and local communities.

We engage with our stakeholders through regular and appropriate channels to promote transparency, collaboration, and mutual understanding. Stakeholder feedback and insights help inform our business decisions, operational improvements, and sustainability priorities. These engagements also support the identification of material sustainability matters relevant to the Group.






Stakeholder engagement is primarily managed at the departmental and management levels, with significant issues escalated to senior management for review and action. Fibromat views ongoing stakeholder engagement as a core element of responsible business conduct, supporting trust, resilience, and continuous improvement across the Group.

The table below summarises our key stakeholder groups, engagement methods, and the outcomes of these engagements.

Key Stakeholders	Areas of Concern/Interest	Engagement Approach	Our Responses
Customers 	<ul style="list-style-type: none"> Product quality and performance Compliance with engineering and safety standards Project reliability and delivery timelines Technical support and after-sales service Competitive pricing 	<ul style="list-style-type: none"> Customer relationship management Project meetings and site visits Technical discussions and consultations Quality inspections and audits 	<ul style="list-style-type: none"> Ensure products meet specified engineering and quality requirements Provide timely technical support and project coordination Maintain consistent quality assurance and performance standards

SUSTAINABILITY STATEMENT

cont'd

Key Stakeholders	Areas of Concern/Interest	Engagement Approach	Our Responses
Employees 	<ul style="list-style-type: none"> Occupational health and safety Welfare and remuneration Workplace diversity Training and career development Value equal opportunities 	<ul style="list-style-type: none"> Performance review Management briefings and meetings Internal communication channels Annual event Training programmes 	<ul style="list-style-type: none"> Encourage transparent communication with employees Ensure equal employment opportunities for all individuals without discrimination Provide reasonable benefits and remuneration package Provide relevant trainings, upskilling and development opportunities Provide healthy and safe working environment
Suppliers 	<ul style="list-style-type: none"> Transparent procurement practices Timely performance of contractual obligations Anti-bribery Timely delivery of products Pricing of services 	<ul style="list-style-type: none"> Evaluation on performance Direct communication Supplier management system Incoming quality control checking on raw materials Supplier meetings 	<ul style="list-style-type: none"> Prioritise the establishment of transparent and ethical procurement processes Timely payment Timely information disclosure Maintaining long-term, mutually beneficial relationships
Investors/ Shareholders 	<ul style="list-style-type: none"> Financial performance (Sustainable and stable return on investment) Timely and transparent information disclosures Business strategy and growth prospects Shareholder value Corporate governance Corporate developments 	<ul style="list-style-type: none"> Annual report Annual General Meeting Quarterly financial reports and announcements Corporate website 	<ul style="list-style-type: none"> Provide timely updates on the Group's strategy and financial performance through announcements Uphold good governance practices across the Group and supply chain
Government Agencies 	<ul style="list-style-type: none"> Regulatory compliance Environment management and compliance Fair labour practices Policy matters (Public, health and safety) Anti-bribery 	<ul style="list-style-type: none"> Annual report Meeting and seminar Public announcement Inspection/Audit by local authority 	<ul style="list-style-type: none"> Full compliance with regulatory requirements Adoption of practices outlined in the Malaysian Code on Corporate Governance ("MCCG") Engagement of legal professionals
Local Communities 	<ul style="list-style-type: none"> Impact of business operation Contribution to community development 	<ul style="list-style-type: none"> Social contributions and donations Site interactions 	<ul style="list-style-type: none"> Minimise negative environmental and social impacts Support community initiatives where appropriate

SUSTAINABILITY STATEMENT





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SUSTAINABILITY COMMITMENTS AND APPROACH

SUSTAINABILITY FRAMEWORK

Fibromat adopts a sustainability framework anchored on four core pillars – Economic, Environmental, Social and Governance (“EESG”). These pillars guide the identification, prioritisation, and management of material sustainability matters across the Group’s operations, ensuring responsible, ethical, and sustainable practices are embedded throughout our business activities.

The framework supports Fibromat’s role in delivering erosion control and geosynthetic solutions that contribute to environmental protection, infrastructure resilience, and long-term value creation. The table below summarises the Group’s key material topics, organised by operational areas and EESG categories.

EESG Pillar	Corporate and Management	Manufacturing, Supply Chain, and Projects	Sales, Engineering, and Installation
Economic 	<ul style="list-style-type: none"> Financial performance and business resilience Ethical conduct and corporate governance Risk management and internal controls Investment in talent and capabilities 	<ul style="list-style-type: none"> Operational efficiency and cost control Quality management and product performance Responsible sourcing and supplier management 	<ul style="list-style-type: none"> Market development and project delivery Customer satisfaction and retention Reputation and long-term value creation
Environmental 	<ul style="list-style-type: none"> Environmental compliance and oversight Resource efficiency initiatives 	<ul style="list-style-type: none"> Energy and resource efficiency Waste management and material optimisation Environmentally responsible manufacturing practices 	<ul style="list-style-type: none"> Erosion control and environmental protection outcomes Sustainable project execution and site practices
Social 	<ul style="list-style-type: none"> Employee health, safety and well-being Training and skills development Fair employment practices 	<ul style="list-style-type: none"> Occupational safety and worker welfare Contractor and supplier labour standards 	<ul style="list-style-type: none"> Project safety management Community engagement at project sites Product safety and reliability
Governance 	<ul style="list-style-type: none"> Anti-corruption and ethical conduct Regulatory compliance Sustainability reporting and disclosure 	<ul style="list-style-type: none"> Supply chain governance and transparency Quality assurance and control systems 	<ul style="list-style-type: none"> Ethical business practices Data protection and client confidentiality

Fibromat’s materiality assessment is guided by the International Integrated Reporting Council (“IIRC”) Six Capitals framework, namely Financial, Manufactured, Governance, Human, Social, and Natural capital. This framework provides a structured basis for evaluating sustainability-related risks, opportunities, and impacts across the Group’s operations and value chain.

SUSTAINABILITY STATEMENT

cont'd

The assessment approach is aligned with the United Nations Sustainable Development Goals (“UNSDGs”) and Bursa Malaysia’s Common Sustainability Matters¹, ensuring that Fibromat’s sustainability priorities support both global sustainability objectives and local regulatory expectations. Through this approach, the Group seeks to integrate sustainability considerations into strategic planning, operational decision-making, and long-term value creation.

By applying the Six Capitals framework, Fibromat is able to identify key focus areas that address stakeholder expectations, support environmental protection and infrastructure resilience, and remain responsive to evolving industry and regulatory developments. The table below illustrates how each of the Six Capitals contributes to the Group’s sustainability strategy and value creation journey.

Capitals	Definition	Aspects
Financial	Funds available for our Group’s working capital requirements from the internal operations and internal/external financing sources	Financial Highlight Resources to support our Group’s operations and to implement other Capitals
Manufactured	Creating value through innovation and product quality and compliance	Marketplace Implementing sustainability through product quality and compliance
Governance	Good governance and robust internal control system and procedures	Governance Board engagement on strategy and sound governance of internal controls to enhance sustainability initiatives
Human	Skills, motivation and alignment with our organisational goals	Workplace Creating a safe and supportive working environment, training and self-development
Social	Relations with key institutions, stakeholder groups, shared norms and values, trust and confidence and its social license to operate	Community Contributing to local community development
Natural	Renewable and non-renewable natural elements and the eco-system, used as inputs by our Group now or in the past or future and the impacts from our Group’s operations on them	Environment Improving our environment by utilising greener alternatives









¹ Bursa Malaysia’s Common Sustainability Indicators provide a standardised set of ESG metrics to enhance the consistency and comparability of sustainability disclosures. Covering key economic, environmental and social areas, these indicators guide listed issuers in aligning with global frameworks such as IFRS S1/S2, TCFD and GRI and are mandatory for Main and ACE Market companies.

SUSTAINABILITY STATEMENT

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







MATERIAL TOPICS

Fibromat reviews its material sustainability topics regularly to ensure they remain relevant to the Group's business.

Material Topics	Risk and opportunities (IFRS S1 and S2)	Six Capitals	UNSDGS	Bursa Malaysia's Common Sustainability Indicators
Economic				
Financial Performance	Cost pressures and project risks may affect margins, while operational efficiency supports sustainable growth.	Financial		N/A
Summary of management approach	Fibromat practices prudent financial management focused on efficiency and sustainable growth, with economic performance monitored by the Management and overseen by the Board.			
Environmental				
Climate Change (Energy Management and Emissions)	Rising energy costs pose risks, while efficiency measures can reduce emissions and operating expenses.	Natural	  	<ul style="list-style-type: none"> • B4(a) Total energy consumption • B11(a) Scope 1 emissions in tonnes of CO₂e • B11(b) Scope 2 emissions in tonnes of CO₂e • B11(c) Scope 3 emissions in tonnes of CO₂e (at least for the categories of business travel and employee commuting)
Summary of management approach	Fibromat manages energy consumption and greenhouse gas emissions through monitoring of operational energy use and the adoption of energy efficiency practices.			
Water	Inefficient water use increases costs, while conservation practices enhance resource efficiency.	Natural	 	B9(a) Total volume of water used
Summary of management approach	Fibromat monitors its water consumption to promote responsible resource management and improve operational efficiency as part of its ongoing environmental stewardship efforts.			
Social				
Product and Service Quality	Quality failures present performance risks, while strong quality assurance builds client trust.	Manufactured	 	N/A
Summary of management approach	Fibromat applies a structured quality assurance approach across engineering, production, and project execution to ensure consistent performance and compliance with technical standards.			




SUSTAINABILITY STATEMENT

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Material Topics	Risk and opportunities (IFRS S1 and S2)	Six Capitals	UNSDGS	Bursa Malaysia's Common Sustainability Indicators
Diversity and Inclusion	Limited inclusivity may affect engagement, while diverse teams strengthen organisational capability.	Human	 	<ul style="list-style-type: none"> B3(a) Percentage of employees by gender and age group, for each employee category B3(b) Percentage of directors by gender and age group B6(b) Percentage of employees that are contractors or temporary staff B6(d) Number of substantiated complaints concerning human rights violation
Summary of management approach	Fibromat promotes a fair and inclusive workplace where diversity is respected, equal opportunities are upheld, and discrimination or harassment is not tolerated.			
Employee Management	Workforce turnover poses continuity risks, while training and fair practices improve retention.	Human	     	<ul style="list-style-type: none"> B6(a) Total hours of training by employee category B6(c) Total number of employee turnover by employee category
Summary of management approach	Fibromat manages its workforce through fair employment practices, structured performance reviews, and employee benefits that support retention and long-term development.			
Health and Safety	Workplace incidents may disrupt operations, while effective OHS management enhances safety and productivity.	Human	 	<ul style="list-style-type: none"> B5(a) Number of work-related fatalities B5(b) Lost time incident rate B5(c) Number of employees trained on health and safety standards
Summary of management approach	Fibromat manages workplace safety through a structured OHS framework, defined roles, and ongoing safety training.			
Contributing to Local Communities	Weak community engagement may affect reputation, while CSR initiatives strengthen social licence to operate.	Social	      	<ul style="list-style-type: none"> B2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer B2(b) Total number of beneficiaries of the investment in communities
Summary of management approach	Fibromat's CSR efforts aim to create positive social impact by supporting community wellbeing, education, and engagement while strengthening relationships with local stakeholders.			

SUSTAINABILITY STATEMENT

cont'd

Material Topics	Risk and opportunities (IFRS S1 and S2)	Six Capitals	UNSDGS	Bursa Malaysia's Common Sustainability Indicators
Governance				
Anti-corruption	Ethical breaches pose legal and reputational risks, while strong controls enhance stakeholder confidence.	Governance		<ul style="list-style-type: none"> • B1(a) Percentage of employees who have received training on anti-corruption by employee category • B1(b) Percentage of operations assessed for corruption-related risks • B1(c) Confirmed incidents of corruption and action taken
Summary of management approach	Fibromat manages governance through strong policies, risk controls, and zero-tolerance enforcement of ethical standards.			
Cybersecurity and Data Privacy	Data security incidents present operational risks, while robust controls protect information integrity.	Governance		<ul style="list-style-type: none"> • B8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data
Summary of management approach	Fibromat manages data privacy through compliance with PDPA and appropriate information security controls.			
Sustainable Supply Chain	Supplier non-compliance may disrupt projects, while responsible sourcing improves reliability.	Governance		<ul style="list-style-type: none"> • B7(a) Proportion of spending on local suppliers
Summary of management approach	The Group prioritises local sourcing where feasible while balancing operational requirements. In FY 2025, local procurement decreased due to increased reliance on non-local suppliers, and the Group will continue to enhance local supplier engagement where practical.			

SUSTAINABILITY STATEMENT

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
ECONOMIC

ECONOMIC PERFORMANCE

Fibromat recognises that sound economic performance is fundamental to the Group’s long-term sustainability and ability to deliver value to its stakeholders. The Group’s economic activities support business continuity, employment opportunities, supplier partnerships, and infrastructure development, while contributing to broader economic activity through taxes and project delivery.

During the reporting year, Fibromat focused on maintaining financial discipline, managing costs prudently, and strengthening operational efficiency amid a dynamic operating environment. Investments were prioritised towards core capabilities, quality assurance, and project execution to support reliable performance and long-term resilience. As a first-year sustainability reporter, the Group is in the process of enhancing its data collection and reporting systems to support more detailed economic disclosures in future reporting cycles.

Looking ahead, Fibromat remains committed to responsible financial management, sustainable growth, and value creation for shareholders and stakeholders, while supporting economic development in the markets in which it operates.

Material Topic: Financial Performance	
Align with	Financial Capital 
Summary of management approach	Fibromat practices prudent financial management focused on efficiency and sustainable growth, with economic performance monitored by the Management and overseen by the Board.



ENVIRONMENTAL

CLIMATE CHANGE (ENERGY MANAGEMENT AND EMISSIONS)

Climate change is a key environmental consideration for Fibromat, and the Group is committed to managing its energy consumption and GHG emissions to reduce its environmental footprint. The Group monitors its energy use and emissions as part of its efforts to improve operational efficiency and support responsible environmental management.

Fibromat continues to take practical steps towards reducing emissions through the adoption of cleaner technologies and more sustainable energy practices. The Group has progressively transitioned from diesel-powered forklifts to electric forklifts, reducing reliance on fossil fuels and lowering direct carbon dioxide (CO₂) emissions (Scope 1), while also contributing to improved air quality and a safer working environment.

In addition, Fibromat has installed solar photovoltaic (“PV”) panels at its facilities to support the generation of renewable energy. This enables the Group to partially offset grid electricity consumption, thereby reducing indirect emissions (Scope 2) and promoting more efficient energy use.

SUSTAINABILITY STATEMENT

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Solar PV Installation at Fibromat Rasa Facility



Electric Forklifts in Operation at Fibromat Facility




In FY 2025, Scope 1 emissions decreased to 190.98 tCO₂e (FYE 2024: 249.34 tCO₂e), mainly due to lower fuel consumption. Scope 2 emissions increased to 350.03 tCO₂e, in line with higher electricity usage during the year. Scope 3 emissions, primarily from business travel and employee commuting, decreased to 4.16 tCO₂e. Total energy consumption for the year was 452.24 MWh, reflecting increased operational activity compared to FY 2024.

These initiatives demonstrate Fibromat’s ongoing efforts to enhance its environmental performance. Moving forward, the Group will continue to explore opportunities to improve energy efficiency and reduce emissions where operationally and economically feasible, in line with its broader sustainability objectives.

	Unit	2023	2024	2025
B11(a) Scope 1 emissions in tonnes of CO ₂ e	tCO ₂ e	80.82	249.34	190.98
B11(b) Scope 2 emissions in tonnes of CO ₂ e	tCO ₂ e	446.02	255.67	350.03
B11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	tCO ₂ e	4.17	14.12	4.16
	Unit	2023	2024	2025
B4(a) Total energy consumption	MWh	576.25	330.32	452.24

SUSTAINABILITY STATEMENT

cont'd

Material Topic: Climate Change (Energy Management and Emissions)	
Align with	Natural Capital   
Summary of management approach	Fibromat manages energy consumption and greenhouse gas emissions through monitoring of operational energy use and the adoption of energy efficiency practices.

WATER

Water is an essential resource in Fibromat’s manufacturing and operational processes, primarily used for production activities and general facility requirements. The Group is committed to responsible water management and has implemented initiatives at its Rasa facility to enhance water efficiency and reduce reliance on external water sources. These include the operation of a cooling tower system and the harvesting of rainwater, which is utilised in the production of PVD coatings as well as for general purposes such as gardening and other operational needs.

Fibromat’s efforts in sustainable water management have been recognised by the *Majlis Perbandaran Hulu Selangor* under the “*Satu Komuniti, Satu Inisiatif Lestari* (“*SKIL*”)” programme, where the Group was awarded the *Sijil Emas* in 2025 for excellence in sustainable water and energy management. This recognition reflects the Group’s proactive approach to resource efficiency and continuous improvement in operational sustainability.



Cooling water system



Rainwater tank for general purposes



Fibromat receives *Sijil Emas* at the ‘*Satu Komuniti, Satu Inisiatif Lestari (Skill)*’ award ceremony, 2025

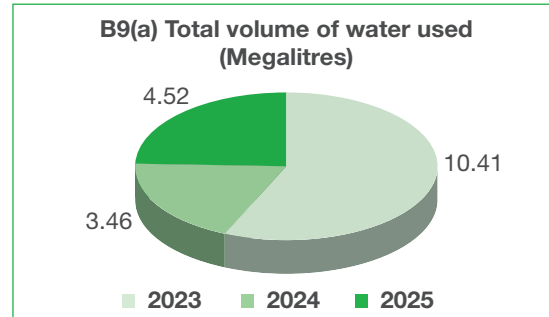


Certificate for Anugerah Emas in Sustainable Energy and Water Efficiency

SUSTAINABILITY STATEMENT

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In FY 2025, Fibromat recorded total water consumption of 4.52 megalitres, compared to 3.46 megalitres in FY 2024 and 10.41 megalitres in FY 2023. The overall reduction from FY 2023 demonstrates the Group’s ongoing efforts to optimise water usage, while the increase in FY 2025 compared to FY 2024 was mainly attributable to higher operational activity during the financial year. Fibromat will continue to monitor and improve its water management practices as part of its commitment to environmental stewardship.



Material Topic: Water	
Align with	Natural Capital  
Summary of management approach	Fibromat monitors its water consumption to promote responsible resource management and improve operational efficiency as part of its ongoing environmental stewardship efforts.



SOCIAL

PRODUCT AND SERVICE QUALITY

Quality management is integral to the operations of Fibromat and underpins the reliability and performance of its erosion control and geosynthetic solutions. The Group complies with applicable laws, regulatory requirements, and relevant engineering and industry standards to ensure that its products and systems meet defined technical, safety, and performance specifications for infrastructure and environmental applications.

Quality assurance is applied across key stages of manufacturing, material sourcing, and project execution, including material selection, production controls, inspection, and testing. Fibromat places strong emphasis on consistency, durability, and performance under site-specific conditions, supported by internal checks and, where applicable, third-party testing. Continuous monitoring and improvement processes are implemented to minimise defects and ensure products perform as intended throughout their service life.

Fibromat also prioritises technical integrity and transparency by providing accurate engineering data, product specifications, and performance documentation to support design, approval, and installation requirements. Feedback from project execution and client engagement is reviewed to strengthen product performance and refine engineering solutions.

Customer satisfaction remains closely linked to quality and reliability. The Group maintains responsive technical support and after-sales services to address project-related issues promptly. Through its continued focus on engineering quality, Fibromat seeks to enhance project outcomes, manage performance risks, and support sustainable, long-term growth through consistent delivery of fit-for-purpose solutions.

SUSTAINABILITY STATEMENT

cont'd

Material Topic: Product and Service Quality	
Align with	Manufactured Capital  
Summary of management approach	Fibromat applies a structured quality assurance approach across engineering, production, and project execution to ensure consistent performance and compliance with technical standards.

DIVERSITY AND INCLUSION

The Group recognises that a diverse and inclusive workforce strengthens organisational capability, innovation, and long-term performance. Operating within a multi-ethnic and multicultural environment, the Group is committed to fostering a respectful and inclusive workplace where employees are treated fairly and with dignity.

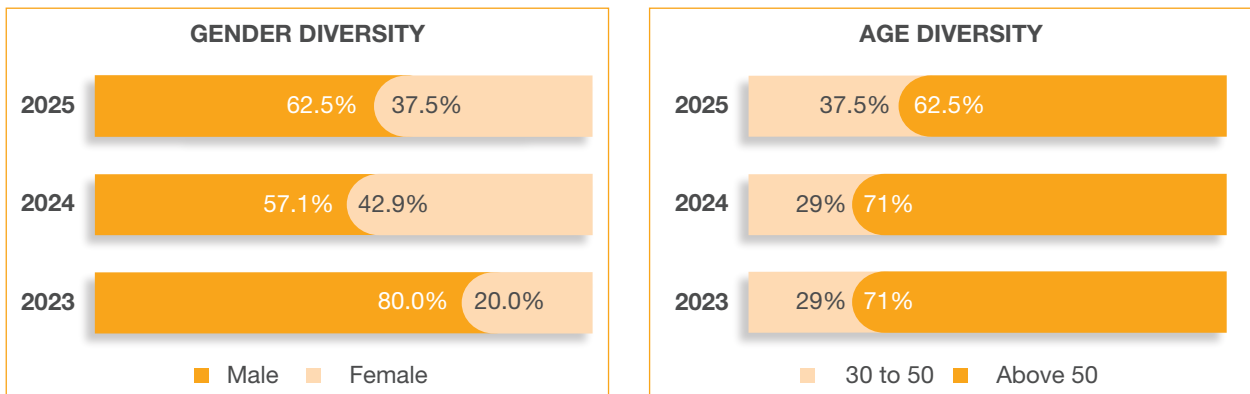
Fibromat upholds fair employment practices in accordance with its Code of Conduct, ensuring equal opportunity in recruitment, training, and career development, and maintaining a zero-tolerance approach towards discrimination and harassment. The Group supports employee development through ongoing learning, teamwork, and a culture of mutual respect and accountability.

In FY 2025, no incidents of discrimination or human rights violations were reported, reflecting Fibromat’s commitment to ethical conduct and an inclusive workplace culture.

	2023	2024	2025
B6(d) Number of substantiated complaints concerning human rights violation	0	0	0

The following charts illustrate Fibromat’s Board diversity and overall workforce composition, reflecting the Group’s commitment to promoting a balanced, inclusive and equitable workplace.

B3(b) Percentage of directors by gender and age group



Fibromat’s Board comprises seven members, with 62.5% male and 37.5% female representation in FY 2025. The Board is also predominantly composed of individuals aged above 50, with no members below the age of 30 throughout all reported financial years.

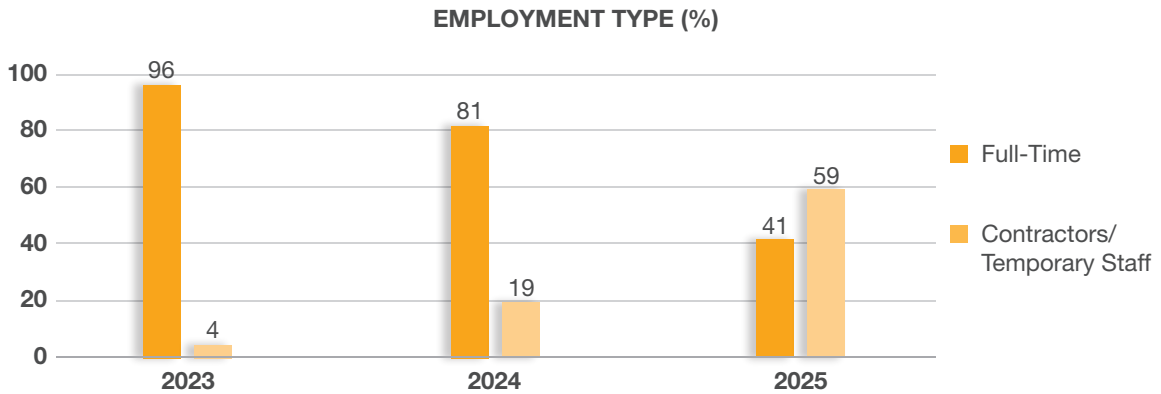
SUSTAINABILITY STATEMENT

cont'd

Workforce Profile

(based on total employees of 201 as of 31 December 2025)

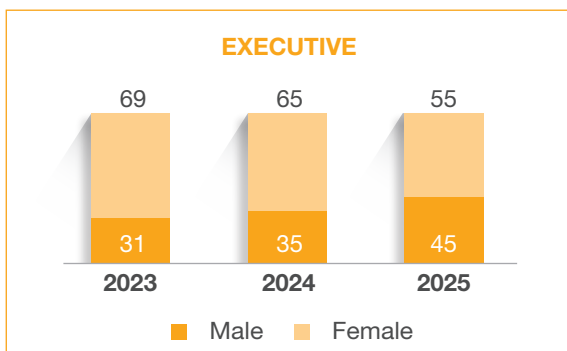
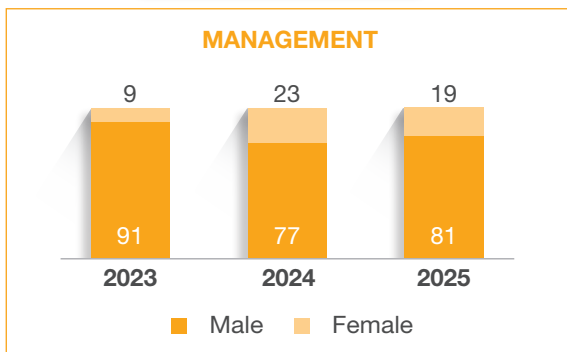
B6(b) Percentage of employees that are contractors or temporary staff



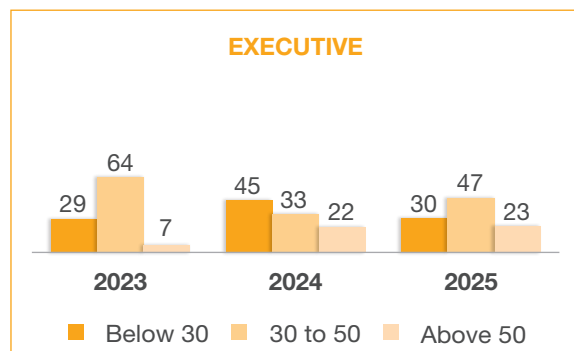
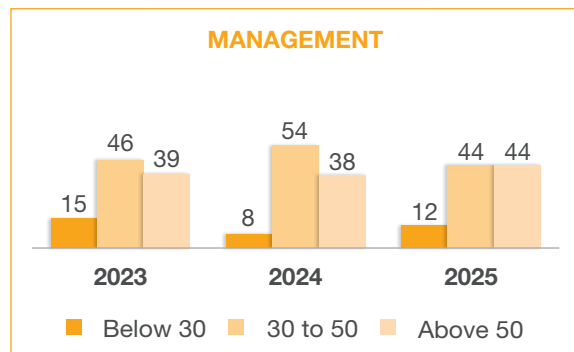
B3(a) Percentage of employees by gender and age group, for each employee category

Workforce Profile by Employee Category (%)

Gender Diversity

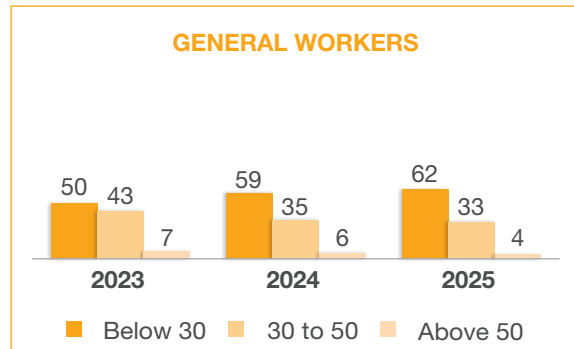
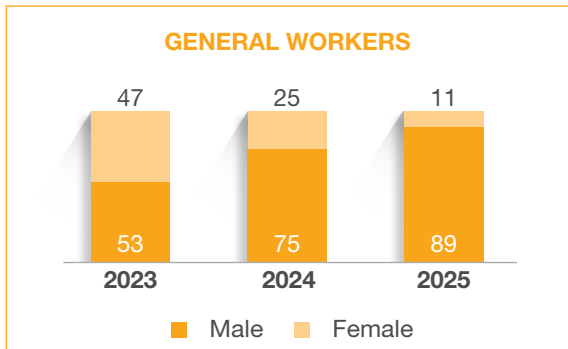
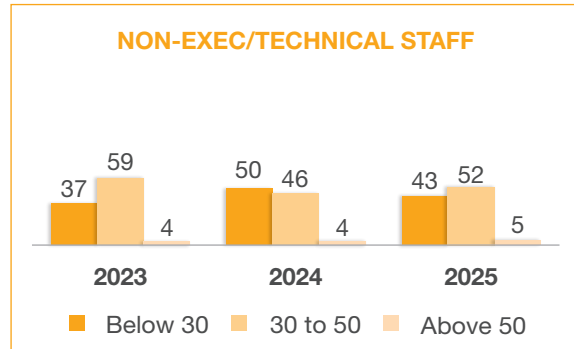
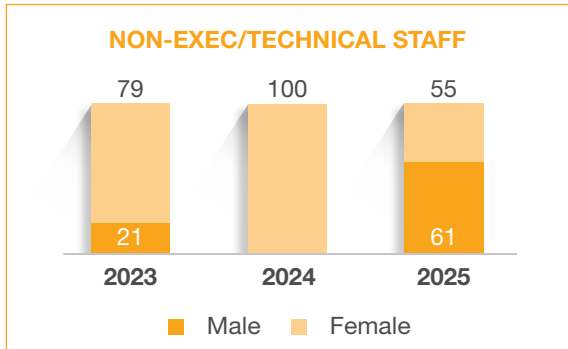




Age Diversity



SUSTAINABILITY STATEMENT

cont'd



Material Topic: Diversity and Inclusion	
Align with	Human Capital
	 
Summary of management approach	Fibromat promotes a fair and inclusive workplace where diversity is respected, equal opportunities are upheld, and discrimination or harassment is not tolerated.

EMPLOYEE MANAGEMENT

Fibromat recognises that its employees are a key driver of operational effectiveness and long-term sustainability. The Group is committed to providing a supportive and inclusive working environment that values employee wellbeing, fair treatment, and professional development. Our employee management approach focuses on building skills, encouraging continuous improvement, and recognising performance based on merit.

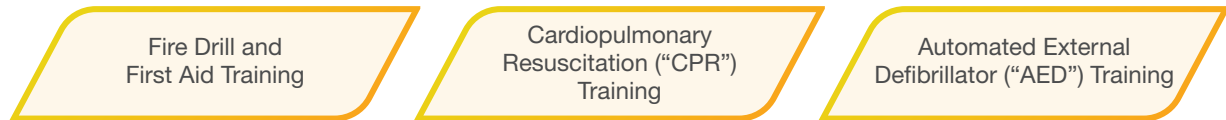
- Training and Development**

The Group places strong emphasis on employee training and capacity building as part of its commitment to workforce development and sustainable business growth. Training needs are systematically identified through the submission of Training Needs Analysis (“TNA”) forms by all departments, enabling the Group to align its training programmes with operational requirements, regulatory expectations, and employee development objectives.

SUSTAINABILITY STATEMENT

cont'd

Fibromat promotes a culture of continuous learning and encourages employees to enhance their technical competencies, safety awareness, and professional skills to support both individual growth and organisational performance. In FY 2025, the Group conducted training programmes focused on workplace safety and emergency preparedness, including



These programmes aim to strengthen safety awareness, improve emergency response readiness, and reinforce the Group’s commitment to maintaining a safe and prepared workforce.

In addition, Fibromat supports knowledge development and industry engagement through participation in professional and academic platforms. In FY 2025, the Group participated as a sponsor in the International Economics & Business Management Conference 2025, which provided opportunities for knowledge sharing, leadership development, and collaboration between industry and academic stakeholders. Such initiatives reflect the Group’s commitment to continuous learning, innovation, and capacity building.

Through its ongoing training and development initiatives, Fibromat aims to foster a skilled, engaged, and resilient workforce capable of supporting operational excellence, regulatory compliance, and long-term sustainable growth. The chart below summarises the total training hours completed by the Group over the past three financial years.

B6(a) Total hours of training by employee category	2023	2024	2025
Management	127	239	16
Executive	208	107	29
Non-executive/Technical Staff	173	513	57
General Workers	0	432	94

- ### Remuneration Packages and Performance Management

Fibromat recognises that its employees are fundamental to the Group’s sustainable growth and operational effectiveness. The Group promotes a culture of accountability, fairness, and continuous improvement through structured performance evaluations, which provide a framework for constructive feedback, performance recognition, and employee development. These evaluations support employees in achieving their individual and organisational goals while encouraging continuous learning and professional growth.

The Group provides remuneration and employee benefits in accordance with applicable labour laws and internal policies. These include annual leave, medical leave, maternity and paternity leave, public holidays, medical benefits, group personal accident and hospitalisation coverage, as well as relevant allowances. These benefits are designed to support employee wellbeing, financial security, and work-life balance, contributing to a positive and supportive work environment.

In addition to formal remuneration and performance management practices, Fibromat fosters employee engagement and recognition through internal initiatives such as its Annual Dinner and staff appreciation programmes, which recognise employee contributions and promote motivation and morale. The Group also organises activities such as Merdeka celebration programmes to strengthen teamwork, promote inclusivity, and enhance employee engagement across departments.

SUSTAINABILITY STATEMENT

cont'd




Annual Dinner

In FY 2025, the Group recorded a total of 88 employee turnovers. Fibromat continues to monitor workforce trends and remains committed to strengthening employee retention through fair employment practices, employee engagement, and continuous improvement of its human resource policies and workplace environment.

SUSTAINABILITY STATEMENT

cont'd

B6(c) Total number of employee turnover by employee category	2023	2024	2025
Management	2	0	2
Executive	1	2	4
Non-executive/Technical Staff	7	2	12
General Workers	20	14	70

Material Topic: Employee Management	
Align with	Human Capital 
Summary of management approach	Fibromat manages its workforce through fair employment practices, structured performance reviews, and employee benefits that support retention and long-term development.

HEALTH AND SAFETY

Workplace safety, health, and employee wellbeing are core priorities at Fibromat. The Group has established an Occupational Health and Safety (“OHS”) framework to identify, assess, and mitigate workplace and project-related risks across its operations, including manufacturing, site works, and installation activities. This framework supports the Group’s commitment to maintaining a safe and healthy working environment for employees, contractors, and site personnel.

Fibromat maintains a dedicated OHS governance structure led by an appointed OHS Chairman and supported by a Management Representative, with designated personnel responsible for key safety functions such as emergency response, safety communication, waste management, and first aid coordination. This structure ensures clear accountability and effective implementation of safety measures across operational and project sites.

The Group implements its OHS practices with reference to the ISO 45001 Occupational Health and Safety Management System. These practices are supported by regular safety briefings, safety signage, and training programmes to strengthen employee awareness and promote safe work practices. In FY 2025, Fibromat conducted First Aid and Cardiopulmonary Resuscitation (“CPR”) training to equip employees with essential life-saving skills and enhance emergency preparedness in the workplace. While the number of employees trained during the financial year was limited, the Group remains committed to progressively expanding its training programmes to include more employees, with the aim of strengthening overall workforce preparedness and safety awareness.

In addition, the Group organised a Health Day programme under the AIA Work Well Partner Program, which included health screenings such as Body Mass Index (“BMI”) measurement, blood pressure monitoring, cholesterol testing, and spinal assessments. This initiative promotes preventive healthcare, supports early detection of potential health risks, and reinforces employee wellbeing.

SUSTAINABILITY STATEMENT

cont'd



Health Day programme

In recognition of its strong safety performance, Fibromat Factory was awarded the Solve SME Platinum Award (Aras 5) by Jabatan Keselamatan dan Kesihatan Pekerjaan (“JKKP”) in 2025. The Group maintained zero workplace fatalities through its ISO 45001:2018-certified Occupational Safety and Health Management System (“OSHMS”) and implemented standardised Safe Operating Procedures (“SOPs”) and risk-based preventive measures to safeguard employees. The Group also achieved Grade A in OSHWA (SPKKP) inspections and full compliance with JKKP regulations, reflecting its commitment to high safety standards, regulatory compliance, and strong governance practices.



Fibromat receives Sijil Aras 5 - Solve Platinum award ceremony



Certificate for Solve SME for the year 2025

Fibromat remains committed to continuously enhancing its OHS practices to safeguard its workforce and foster a safe, healthy, and productive working environment.

SUSTAINABILITY STATEMENT

cont'd

	2023	2024	2025
B5(a) Number of work-related fatalities	0	0	0
B5(b) Lost time incident rate	0	0	0
B5(c) Number of employees trained on health and safety standards	0	0	2

Material Topic: Health and Safety	
Align with	Human Capital  
Summary of management approach	Fibromat manages workplace safety through a structured OHS framework, defined roles, and ongoing safety training.

CONTRIBUTING TO LOCAL COMMUNITIES

Fibromat is committed to being a responsible corporate citizen by contributing positively to the communities in which it operates. The Group supports initiatives that promote community wellbeing, education, health, and social development, reflecting its commitment to creating sustainable value beyond its business operations.

In FY 2025, the Group contributed approximately MYR 11,000 towards charitable organisations and community-related initiatives. These contributions focused on supporting local communities through health, education, and community engagement programmes. As part of its health-related support, Fibromat donated face masks to students and their families at national schools to help safeguard community health during haze conditions and promote awareness of health and safety practices.

The Group also supported educational development through the Best Student Award programmes at S.K. Rasa, Selangor and S.K. Taman Samudra, Selangor. Through these initiatives, Fibromat provided learning materials and recognition to outstanding students, encouraging academic achievement while supporting students in their educational journey.



Best Student Award at S.K. Rasa, Selangor

SUSTAINABILITY STATEMENT

cont'd



Best Student Award at S.K. Taman Samudra, Selangor

In addition, Fibromat actively supports community events that strengthen social bonds and cultural appreciation. During the year, the Group sponsored Pesta Ngoca 2025, a community celebration that promotes cultural heritage, community participation, and social cohesion among local residents.



Pesta Ngoca

The Group also supported knowledge-sharing initiatives such as the 6th International Conference on Water Resources 2025, which contributes to discussions on sustainable water resource management.

SUSTAINABILITY STATEMENT

cont'd



6th International Conference on Water Resources 2025

Fibromat further extended its support to local institutions through sponsorship contributions to Balai Polis Rasa, demonstrating the Group's appreciation for the role of local authorities in maintaining community safety and wellbeing.



Sponsorship to Balai Polis Rasa

SUSTAINABILITY STATEMENT

cont'd

These initiatives demonstrate Fibromat’s commitment to supporting local communities and fostering positive social impact through meaningful engagement and contributions. Moving forward, the Group aims to progressively enhance its corporate social responsibility (“CSR”) efforts by identifying impactful and sustainable initiatives aligned with community needs and the Group’s sustainability priorities.

	2023	2024	2025
B2(a) Total amount invested in the community where the target beneficiaries are external to Fibromat (MYR)	0	1,000	37,018
B2(b) Total number of beneficiaries of the investment in the communities	0	1	5

Material Topic: Contributing to Local Communities	
Align with	Social Capital 
Summary of management approach	Fibromat’s CSR efforts aim to create positive social impact by supporting community wellbeing, education, and engagement while strengthening relationships with local stakeholders.



GOVERNANCE

ANTI-CORRUPTION



Fibromat is committed to upholding high standards of corporate governance and conducting its operations with integrity, transparency, and accountability. The Group recognises that effective governance is fundamental to sustainable growth and stakeholder confidence and is guided by the principles of the Malaysian Code on Corporate Governance (“MCCG”) 2021, supported by a structured risk management and internal control framework.

The Group has established a Code of Conduct and Ethics Policy, complemented by its Anti-Bribery and Anti-Corruption (“ABC”) Policy and Whistle Blowing Procedure Policy, which together reinforce a zero-tolerance approach towards bribery, corruption, fraud, money laundering, and other unethical practices. These policies provide clear guidance on ethical conduct and offer employees a confidential channel to report concerns in good faith.

Anti-bribery and corruption awareness training has been conducted to promote understanding of ethical obligations and compliance expectations across the Group. During the reporting year, no confirmed cases of corruption or regulatory non-compliance were recorded, reflecting Fibromat’s commitment to ethical business practices. The Group is also a member of the Federation of Malaysian Manufacturers (“FMM”), supporting its engagement with industry best practices and governance standards.


SUSTAINABILITY STATEMENT

cont'd

B1(a) Percentage of employees who have received training on anti-corruption by employee category	2023	2024	2025
Management	0	2	0
Executive	0	6	0
Non-executive/Technical Staff	0	9	0
General Workers	0	0	0

Looking ahead, Fibromat intends to progressively strengthen its governance framework by enhancing corruption risk assessments across its operations and expanding the scope and frequency of ABC-related training to further reinforce awareness, accountability, and compliance.


	2023	2024	2025
B1(b) Percentage of operations assessed for corruption-related risks	0	0	0
B1(c) Confirmed incidents of corruption and action taken	0	0	0

Material Topic: Anti-corruption	
Align with	Governance Capital 
Summary of management approach	Fibromat manages governance through strong policies, risk controls, and zero-tolerance enforcement of ethical standards.

CYBERSECURITY AND DATA PRIVACY

We are committed to safeguarding the personal data and privacy of our customers, employees, and suppliers. The Group recognises data protection as a key aspect of ethical business conduct and adopts appropriate security controls and practices in line with the Personal Data Protection Act (“PDPA”) and relevant industry standards. These measures support stakeholder trust and responsible information management. During the reporting period, the Group did not record any confirmed data breaches or losses.

	2023	2024	2025
B8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer data	0	0	0

Material Topic: Cybersecurity and Data Privacy	
Align with	Governance Capital 
Summary of management approach	Fibromat manages data privacy through compliance with PDPA and appropriate information security controls.

SUSTAINABILITY STATEMENT

cont'd

SUSTAINABLE SUPPLY CHAIN

Fibromat adopts a structured procurement approach that prioritises sourcing from local suppliers where commercially viable, while ensuring operational efficiency, quality, and cost competitiveness. The proportion of spending on local suppliers is monitored annually as an indicator of the Group's contribution to local economies. In FY 2025, local procurement accounted for 54.01% (FY 2024: 64.31%), with the decrease mainly attributable to changes in procurement requirements and increased sourcing from non-local suppliers to support operational needs. The Group will continue to evaluate opportunities to strengthen local supplier engagement where feasible.

The Group's supply chain is managed with key procurement decisions guided by Management, taking into consideration factors such as competitive pricing, product quality, delivery capability, and existing business relationships. Supplier selection involves collaboration between Management, the Procurement function, and the Production team to ensure suppliers meet operational and technical requirements. To support business continuity, Fibromat maintains a pool of alternative and backup suppliers.

Fibromat conducts due diligence in its procurement processes to ensure that all suppliers meet the Group's standards for quality, reliability, and compliance. Supplier evaluations include the assessment of credentials such as business registration, relevant certifications, and past performance. Supplier performance is continuously monitored, and where necessary, corrective actions are implemented or alternative suppliers are engaged to maintain operational efficiency and quality standards.

	2023	2024	2025
B7(a) Proportion of spending on local suppliers (%)	57.53%	64.31%	54.01%

Material Topic: Sustainable Supply Chain	
Align with	Governance Capital 
Summary of management approach	The Group prioritises local sourcing where feasible while balancing operational requirements. In FY 2025, local procurement decreased due to increased reliance on non-local suppliers, and the Group will continue to enhance local supplier engagement where practical.


SUSTAINABILITY STATEMENT

cont'd

CLAIM OF TRANSITIONAL RELIEFS


In accordance with the Guidance Note 11A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and the NSRF, the Group qualifies as an NFRS Group 3 entity for the financial year ended 31 December 2025.

As a first-time adopter of the IFRS Sustainability Disclosure Standards, the Group has elected to apply the permissible transitional reliefs for the current reporting period, as summarised below:




Scope of Sustainability Disclosures

The Group has limited its sustainability-related financial disclosures to climate-related risks and opportunities, prepared with reference to IFRS S2 – Climate-related Disclosures. Broader sustainability-related disclosures under IFRS S1 have not been fully applied for the current reporting period.



Focus on Principal Business Segments

Climate-related disclosures are presented with specific focus on the Group's principal business segments, reflecting areas where climate-related risks and opportunities are most relevant to the Group's operations, strategy and financial performance.



Scope 3 Greenhouse Gas Emissions

The Group has not disclosed Scope 3 greenhouse gas emissions, except for categories explicitly required by applicable regulatory guidance, including business travel and employee commuting, where data is reasonably available. Other Scope 3 categories have been excluded from disclosure under the transitional provisions due to data availability and system readiness considerations.

These transitional reliefs are applied solely for the current reporting period to support a phased, proportionate and controlled implementation of the IFRS Sustainability Disclosure Standards, taking into account the Group's size, complexity, data maturity and internal control readiness.

The Group is progressively enhancing its governance structures, data collection processes and internal controls with the intention of expanding the scope, depth and completeness of sustainability disclosures in subsequent reporting periods, in line with the NSRF implementation timeline and evolving regulatory expectations.

SUSTAINABILITY STATEMENT

cont'd

PERFORMANCE DATA TABLE

FIBROMAT (M) BERHAD
IFRS S1

Date & Time: 2026-04-15_17:49:38
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Environmental	Total waste generated	Metric tonnes	—	—	No assurance
Environmental	Total waste directed to disposal	Metric tonnes	—	—	No assurance
Environmental	Total waste directed from disposal	Metric tonnes	—	—	No assurance
Environmental	Total volume of water used	Megalitres	4.52	—	No assurance
Social	Number of substantiated complaints concerning human rights violations	Number	0.00	—	No assurance
Social	Male Directors	Percentage	62.5	—	No assurance
Social	Female Directors	Percentage	37.5	—	No assurance
Social	Directors Under 30	Percentage	0.00	—	No assurance
Social	Directors Between 30-50	Percentage	37.5	—	No assurance
Social	Directors Above 50	Percentage	62.5	—	No assurance
Social	Percentage of employees that are contractors or temporary staff	Percentage	59.00	—	No assurance
Social	Gender Group – Management Male	Percentage	81.00	—	No assurance
Social	Gender Group – Management Female	Percentage	19.00	—	No assurance
Social	Gender Group – Executive Male	Percentage	45.00	—	No assurance
Social	Gender Group – Executive Female	Percentage	55.00	—	No assurance
Social	Gender Group – Non-executive/ Technical Staff Male	Percentage	61.00	—	No assurance
Social	Gender Group – Non-executive/ Technical Staff Female	Percentage	39.00	—	No assurance

SUSTAINABILITY STATEMENT

cont'd

FIBROMAT (M) BERHAD
IFRS S1

Date & Time: 2026-04-15_17:49:38
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Social	Age Group – Management Under 30	Percentage	12.00	—	No assurance
Social	Age Group – Management Between 30-50	Percentage	44.00	—	No assurance
Social	Age Group – Management Above 50	Percentage	44.00	—	No assurance
Social	Age Group – Executive Under 30	Percentage	30.00	—	No assurance
Social	Age Group – Executive Between 30-50	Percentage	47.00	—	No assurance
Social	Age Group – Executive Above 50	Percentage	23.00	—	No assurance
Social	Age Group – Non-executive/Technical Staff Under 30	Percentage	43.00	—	No assurance
Social	Age Group – Non-executive/Technical Staff Between 30-50	Percentage	52.00	—	No assurance
Social	Age Group – Non-executive/Technical Staff Above 50	Percentage	5.00	—	No assurance
Social	Management Training Hours	Hours	16.00	—	Internal
Social	Executive Training Hours	Hours	29.00	—	Internal
Social	Non-executive/Technical Staff Training Hours	Hours	57.00	—	Internal
Social	Total number of employee turnover – Management	Number	2	—	Internal
Social	Total number of employee turnover – Executive	Number	4	—	Internal

SUSTAINABILITY STATEMENT

cont'd

Date & Time: 2026-04-15_17:49:38
FYE 31/12/2025

FIBROMAT (M) BERHAD
IFRS S1

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Social	Total number of employee turnover – Non-executive/Technical Staff	Number	12	–	Internal
Social	Number of work-related fatalities	Number	0	–	No assurance
Social	Lost time incident rate ("LTIR")	Rate	0	–	No assurance
Social	Number of employees trained on health and safety standards	Number	2	–	No assurance
Social	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	37018	–	No assurance
Social	Total number of beneficiaries of the investment in communities	Number	5	–	No assurance
Governance	Percentage of Management who have received training on anti-corruption by employee category	Percentage	0	–	Internal
Governance	Percentage of Executive who have received training on anti-corruption by employee category	Percentage	0	–	Internal
Governance	Percentage of Non-executive/ Technical Staff who have received training on anti-corruption by employee category	Percentage	0	–	Internal
Governance	Percentage of operations assessed for corruption-related risks	Percentage	0	–	No assurance
Governance	Confirmed incidents of corruption and action taken	Percentage	0	–	No assurance

SUSTAINABILITY STATEMENT

cont'd

FIBROMAT (M) BERHAD
IFRS S1

Date & Time: 2026-04-15_17:49:38
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Governance	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	—	Internal
Governance	Proportion of spending on local suppliers	Percentage	54.01	—	No assurance

SUSTAINABILITY STATEMENT

cont'd

FIBROMAT (M) BERHAD
 IFRS S2
 Date & Time: 2026-04-15_17:49:38
 FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Environmental	Scope 1 emissions in tonnes of CO2e	tCO2e	190.98	—	External (Limited)
Environmental	Total energy consumption	MWh	452.24	—	External (Limited)
Environmental	Scope 2 emissions in tonnes of CO2e	tCO2e	350.03	—	External (Limited)
Environmental	Scope 3 emissions in tonnes of CO2e	tCO2e	416	—	External (Limited)

SUSTAINABILITY STATEMENT

cont'd

ASSURANCE STATEMENT

To bolster the credibility of our Sustainability Statement, specific sections have been subjected to Internal Review by Fibromat's Management Internal Audit Team.

The Scope, Subject Matter(s) covered and Conclusion (where applicable) are provided below:

Type of Assurance	Material Matters	Subject Matter	Scope	Conclusion
Internal Review by Management Internal Audit Team	Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category	Operations assessed: Malaysia	Currently in review by the management team.
		Percentage of operations assessed for corruption-related risk		
		Confirmed incidents of corruption and action taken		
	Cybersecurity and Data Protection	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data		
	Employee Management	Total hours of training by employee category		
		Total number of employee turnover by employee category		

Moving forward, we are committed to enhancing the accuracy and quality of our data to bolster our disclosures. We aim to achieve this by subjecting all indicators to independent limited assurance over the next five years and a mandate reasonable assurance on Scope 1 and Scope 2 GHG emissions after 1 January 2029. This proactive approach underscores our dedication to transparency and accountability in our sustainability reporting practices.

**Note: In preparing the Subject Matter mentioned above, Fibromat applied the following criteria:*

- IFRS Foundations - International Integrated Reporting Framework and Integrated Thinking Principles
- Task Force on Climate related Financial Disclosures ("TCFD")
- Fibromat's relevant policies and procedures

LOOKING FORWARD

Fibromat views strong corporate governance as a key enabler of sustainable growth and responsible business conduct. The Group remains committed to operating with integrity, transparency, and accountability in all aspects of its operations, recognising the importance of governance in building long-term stakeholder trust.

The Group's ethical framework, supported by its Anti-Bribery and Corruption Policy and Whistleblowing Policy, establishes clear expectations for ethical behaviour and reinforces a zero-tolerance stance towards misconduct. These policies play an important role in guiding decision-making and promoting responsible conduct across the organisation.

As the Group continues to grow, Fibromat will progressively enhance its governance practices, strengthen internal controls and disclosures, and encourage open communication with stakeholders, ensuring governance and sustainability remain integral to its long-term strategy.

SUSTAINABILITY STATEMENT

cont'd

TCFD-ALIGNED DISCLOSURES

(As recommended by IFRS1 and IFRS2, we can continue using the TCFD recommendations)

TCFD Recommendation	Fibromat Disclosure	Reference
Governance – Disclose the organisation’s governance around climate-related risks and opportunities		
a) Describe the Board’s oversight of climate-related risks and opportunities	<ul style="list-style-type: none"> Risk management Climate change – Board’s skills and experience Sustainability Committee – role and focus 	<ul style="list-style-type: none"> Governance
b) Describe management’s role in assessing and managing climate-related risks and opportunities.	<ul style="list-style-type: none"> Risk management Climate change – managing risk and opportunity Sustainability Committee – role and focus in the FY 2025 	<ul style="list-style-type: none"> Governance Environmental
Strategy – Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy and financial planning where such information is material		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	<ul style="list-style-type: none"> Risk management – Risk factors (climate change, greenhouse gas emissions and energy) Climate change – managing risk and opportunity 	<ul style="list-style-type: none"> Materiality Topics
b) Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy and financial planning.	<ul style="list-style-type: none"> Risk management – Risk factors (climate change, greenhouse gas emissions and energy) Climate change – managing risk and opportunity 	<ul style="list-style-type: none"> Materiality Topics
c) Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<ul style="list-style-type: none"> Climate change – evaluating the resilience of our portfolio 	<ul style="list-style-type: none"> Environmental
Risk management – Disclose how the organisation identifies, assesses and manages climate-related risks		
a) Describe the organisation’s processes for identifying and assessing climate-related risks.	<ul style="list-style-type: none"> Risk management 	<ul style="list-style-type: none"> Materiality Topics
b) Describe the organisation’s processes for managing climate-related risks.	<ul style="list-style-type: none"> Risk management – Risk factors (climate change, greenhouse gas emissions and energy) 	<ul style="list-style-type: none"> Materiality Topics Environmental
c) Describe how processes for identifying, assessing and managing climate related risks are integrated into the organisation’s overall risk management.	<ul style="list-style-type: none"> Risk management non-financial KPIs – sustainability KPIs Risk management – Risk factors (climate change, greenhouse gas emissions and energy) 	<ul style="list-style-type: none"> Materiality Topics Environmental
Metrics and targets – Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	<ul style="list-style-type: none"> Non-financial KPIs – sustainability KPIs Climate change – Operational emissions Climate change – Scope 3 emissions 	<ul style="list-style-type: none"> Environmental

SUSTAINABILITY STATEMENT

cont'd

TCFD Recommendation	Fibromat Disclosure	Reference
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions and the related risks.	<ul style="list-style-type: none"> • Non-financial KPIs – sustainability KPIs • Climate change – operational emissions performance • Climate change – Scope 3 emissions performance Climate change data 	<ul style="list-style-type: none"> • Environmental
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	<ul style="list-style-type: none"> • Non-financial KPIs – sustainability KPIs • Climate change – operational emissions performance for the FY 2025 performance outcomes 	<ul style="list-style-type: none"> • Environmental

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement is presented pursuant to Paragraph 15.25(1) of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The objective of this statement is to provide an overview of the application of the corporate governance practices of the Group during the financial year ended 31 December 2025 (“Financial Year”), with reference to the principles of Board Leadership and Effectiveness, Effective Audit and Risk Management and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders, as set out in the latest Malaysian Code on Corporate Governance (“MCCG”).

The Board has also provided specific disclosures on the application of each Practice set out in the MCCG in its Corporate Governance Report (“CG Report”). The CG Report was issued together with the Annual Report of the Company on 30 April 2026. Shareholders may obtain the CG Report by accessing this link <https://www.fibromatberhad.com.my/> for further details and are advised to read this overview statement in conjunction with the CG Report.

The explanations for the departed practices are reported in the announced CG Report under Practices 4.4, 8.2 and 13.3 respectively. Except for the explanations provided for any departures from the best practices of the MCCG, the Board believes that the Company has, in all material aspects, complied with the MCCG during the Financial Year.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(I) Board Responsibilities

The Board is committed to maintaining its effectiveness and providing strong leadership to the Group and Management. In order to ensure that business is being properly managed, the Board is entrusted with overseeing the overall management of the business affairs of the Group, performing periodic reviews of the financial results and monitoring the conduct of the business.

The Board is mindful of the importance of the establishment of clear roles and responsibilities in discharging its fiduciary and leadership functions including those reserved for the Board’s approval. The Board has defined its Board Charter, setting out the roles, duties and responsibilities of the Board, the principles and practices of corporate governance to be followed as well as the key matters reserved for the Board’s approval. The Board Charter Matter is published on the Company’s website at <https://www.fibromatberhad.com.my/>.

The Chairperson plays a pivotal role in providing leadership to the Board as well as instilling good governance practices and effectiveness of the Board.

The Board has established the following Committees, namely Audit and Risk Management Committee, Nomination Committee and Remuneration Committee to assist it in discharging its duties and responsibilities effectively. The terms of reference of each Board Committee are available on the Company’s website at <https://www.fibromatberhad.com.my/>. These Committees have the authority to examine particular issues and report to the Board with their recommendations. However, the ultimate responsibility for the final decision on all matters lies with the entire Board.

The Board has adopted the Code of Conducts and Ethics, Anti-Bribery & Anti-Corruption and Whistleblowing Procedure policies, all of which are published on the Company’s website at <https://www.fibromatberhad.com.my/>. Internally, the Board communicates the policies to staff members through the Human Resources Department so that all staff members are clear on what is considered acceptable behaviour and practice within the Company, as well as the policies and procedures on whistleblowing.

The Board is assisted by two (2) qualified and competent Company Secretaries. Both Company Secretaries are members of Malaysian Institute of Chartered Secretaries and Administrators. The Company Secretaries advise the Board, particularly with regards to compliance with regulatory requirements, guidelines, legislations and the principles of best corporate governance practices. All Directors have unrestricted access to the advice and services of the Company Secretaries. The appointment and removal of Company Secretaries or Secretaries of the Board Committees can only be made by the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

(I) Board Responsibilities *cont'd*

Further information on the roles and responsibilities carried out by the Company Secretaries during the Financial Year are set out in Practice 1.5 of the Company's CG Report.

The supply, timeliness and quality of information affect the effectiveness of the Board to oversee the conduct of business and to evaluate Management's performance of the Group. Board papers are distributed to Directors with sufficient notice prior to Board meetings to enable the Directors to review and consider the agenda items to be discussed and where necessary, to obtain further explanations in order to be fully briefed before the meeting.

All Board members have unrestricted access to timely and accurate information in furtherance of their duties and, subject to the Board's approval, may seek independent professional advice, when necessary, in discharging their various duties, at the Company's expense.

The Company Secretaries ensure that all Board and Board Committees' meetings are properly convened. The Company Secretaries also ensure that accurate and proper records of the proceedings and resolutions passed are recorded and that the minutes are circulated to Board members as soon as possible before the next meetings.

The underlying factors of directors' commitment to the Company are devotion of time and continuous improvement of knowledge and skill sets.

The Board meets at least once every quarter and additional meetings are convened as and when necessary. During the Financial Year, six (6) Board meetings were held. The record of attendance is as follows:

Directors	Number of Meetings Attended by Directors during the tenure in office
Prof. Dr. Fauziah binti Ahmad	6/6
Ng Kian Boon	6/6
Mohd Tarmim bin Sidek	6/6
Ng Chun Yew (<i>appointed on 22 September 2025</i>)	1/1
Ng Chun Hou (<i>resigned on 30 January 2026</i>)	5/6
Chao Kar Po	6/6
Ilham binti Umar Thabii	6/6
Loo Pak Soon	6/6

Save for Mr. Loo Pak Soon, none of the Directors hold directorships in other listed companies.

The Directors are aware of their duty to undergo appropriate training from time to time to ensure that they are equipped to carry out their duties effectively. The Board is therefore mindful of the need to keep abreast of changes in both the regulatory and business environments, as well as new developments within the industry in which the Group operates.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

(I) Board Responsibilities *cont'd*

During the Financial Year, the external training programmes and seminars attended by the Director are as follows:

DIRECTORS	COURSES/SEMINAR/CONFERENCE	Organisr	Date
Prof. Dr. Fauziah binti Ahmad	• Laboratory Training	• Asian Institute of Technology	• 20 February 2025
	• Mandatory Accreditation Programme Part II (MAP-II) – Leading for Impact (LIP)	• Institute of Corporate Directors Malaysia	• 19-20 August 2025
	• 6th International Conference on GIS and Geoinformation Zoning for Earthquake Mitigation (GIZ 2025)	• Kazakhstan Geotechnical Society	• 28-30 August 2025
	• Responsible Innovation, Frontier Technologies & Sustainable Solutions	• Global Women Inventor & Innovators Network	• 22-23 October 2025
	• Training on laboratory operations and strengthen research innovation strategies	• Geo-Research Institute, Osaka	• 15-20 December 2025
Ng Kian Boon	• Mandatory Accreditation Programme Part II (MAP-II) – Leading for Impact (LIP)	• Institute of Corporate Directors Malaysia	• 19-20 August 2025
Mohd Tarmim bin Sidek	• Mandatory Accreditation Programme Part II (MAP-II) – Leading for Impact (LIP)	• Institute of Corporate Directors Malaysia	• 19-20 August 2025
Ng Chun Yew (appointed on 22 September 2025)	• Mandatory Accreditation Programme Part I (MAP-I)	• Institute of Corporate Directors Malaysia	• 8-9 December 2025
Ng Chun Hou (Resigned on 30 January 2026)	• Mandatory Accreditation Programme Part II (MAP-II) – Leading for Impact (LIP)	• Institute of Corporate Directors Malaysia	• 19-20 August 2025
Chao Kar Po	• Global Minimum Tax : Latest development and Implications for Businesses	• Malaysian Institute of Accountants	• 13 February 2025
	• Mandatory Accreditation Programme Part I (MAP-I)	• Institute of Corporate Directors Malaysia	• 26-27 February 2025
	• Technology in Practice: Artificial Intelligence	• Malaysian Institute of Accountants	• 17 April 2025
	• Mastering the future workplace	• Malaysian Institute of Accountants	• 7 May 2025
	• CFO Circle Webinar: Strategic Leadership in the Age of AI and RPA: Driving Purpose and Innovation	• Malaysian Institute of Accountants	• 19 May 2025
	• Mandatory Accreditation Programme Part II (MAP-II) – Leading for Impact (LIP)	• Institute of Corporate Directors Malaysia	• 19-20 August 2025
	• Mandatory Accreditation Programme Part I (MAP-I)	• Institute of Corporate Directors Malaysia	• 26-27 February 2025
Ilham binti Umar Thabii	• Mandatory Accreditation Programme Part II (MAP-II) – Leading for Impact (LIP)	• Institute of Corporate Directors Malaysia	• 22-23 September 2025
	• Mandatory Accreditation Programme Part I (MAP-I)	• Institute of Corporate Directors Malaysia	• 26-27 February 2025
Loo Pak Soon	• Mandatory Accreditation Programme Part II (MAP-II) – Leading for Impact (LIP)	• Institute of Corporate Directors Malaysia	• 12-13 February 2025
	• US Tarriff Hike and its impact on Business in Asia- Pacific	• Baker Tilly Asia Pacific Tax	• 6 May 2025
	• AOB Conversation with Audit Committee	• Securities Comission Malaysia	• 25 November 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

(II) Board Composition

The Board is satisfied with the current composition of the Board, which provides a check and balance within the Board as well as diversity of perspectives and views in the Board's decision-making process. Presently, the Board consists of Executive and Non-Executive Directors with a mixture of suitably qualified and experienced professionals. As at 31 December 2025, the Board comprised eight (8) members, of whom half were Independent Non-Executive Directors, thereby fulfilling Practice 5.2 of the MCCG, which requires non-large companies to have at least half of the Board members to be independent directors. However, following the recent resignation of Ng Chun Hou on 30 January 2026, the Board now comprises seven (7) members, namely a Chairperson (Independent Non-Executive Director), three (3) Independent Non-Executive Directors and three (3) Executive Directors. The Board continues to adhere to MCCG best practices, by having more than half of its members as Independent Non-Executive Directors.

Annually, the Nomination Committee reviews the independence of the Independent Directors. The criteria for assessing independence are based on the requirements and definition of "independent director" as set out in the AMLR. Each Independent Director is required to confirm his independence by providing the Board with a written declaration. In addition, the Nomination Committee also considers whether the Independent Directors meet the minimum "fit and proper" criteria as part of the annual assessment. The suitability and ability of an Independent Non-Executive Director to perform his duties and responsibilities effectively shall be based on his calibre, qualifications, experience, expertise, personal qualities and knowledge of the Company and the industry.

In accordance with the Board Charter, the maximum tenure of an Independent Non-Executive Director shall not exceed the cumulative term of nine (9) years from the date of first appointment as Director or upon the expiry of the current term of appointment as Director, whichever is later. Any extension beyond nine (9) years will require Board justification and shareholders' approval unless the said Director wishes to be re-designated as Non-Independent Non-Executive Director which shall be a consideration for the Board to decide.

The Board has established and published its Gender Diversity policy on the Company's website at <https://www.fibromatberhad.com.my>. The Board currently has three (3) female Independent Non-Executive Directors among the seven (7) Directors on the Board.

The appointment of the Board and senior management is based on objective criteria, merit and due regard for diversity in skills, experience, age, cultural background and gender. The current diversity in the ethnicity, age distribution, and skill sets of the existing Board is as follows:

	Race/Ethnicity				Nationality		Gender	
	Malay	Chinese	Indian	Others	Malaysian	Foreign	Male	Female
Number of Directors	3	4	-	-	7	-	4	3
Top Senior Management	2	1	-	-	3	-	2	1

Age Group	< 30 years	30-39 years	40-49 years	50-59 years	60-69 years
Number of Directors		2	-	1	4
Top Senior Management	1	-	2	-	-

Skill	General Management/ Business	Accounting/ Auditing/ Finance	Sales/ Marketing	Engineering/ Project Management	Operations/ Manufacturing	Legal/ Compliance
Number of Directors	1	2	2	1	-	1
Top Three Senior Management	-	1	-	1	1	-

The Nomination Committee is chaired by an Independent Non-Executive Director. The Nomination Committee considers recommendations from existing Board members, Management, major shareholders and third-party sources to identify suitably qualified candidates, when necessary, before recommending to the Board for further deliberation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

(II) Board Composition *cont'd*

There is no restriction on the number of directorships held by each Board member, save for the limit of five (5) listed company directorships as advised by Bursa Malaysia under its Listing Requirements and Corporate Governance Guidelines. Board members are at liberty to accept other board appointments in other companies so long as such appointments do not give rise to any conflict of interest with the Company and do not affect their performance for the Company.

Board members are required to notify the Chairperson of the Board and/or Company Secretary before any accepting new external directorships and to indicate the time that will be spent on the new directorship.

The Nomination Committee undertakes an annual assessment to evaluate the performance of each individual Director, as well as the effectiveness of the Board and the Board Committees, by way of self-assessment. Directors are required to fill out the self-assessment forms and provide their feedback, views and suggestions for improvement. The results of these self-assessment forms are compiled and tabled to the Nomination Committee for review and deliberation.

(III) Remuneration

The remuneration of Directors will be formulated to be competitive and realistic, with the aim of attracting, motivating and retaining Directors with the relevant experience, expertise and quality needed to assist in managing the Company effectively. For Executive Directors, the remuneration packages link rewards to corporate and individual performance, whilst for Non-Executive Directors, the level of remuneration is linked to their experience and level of responsibilities undertaken. The level of remuneration for Executive Directors is assessed by the Remuneration Committee after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies.

The determination of Directors' remuneration is subject to the Board's approval. The Director concerned should abstain from discussing his/her own remuneration.

Pursuant to Section 230(1) of the Companies Act, 2016, the fees and benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

The aggregate amount of Directors' fees and benefits proposed for shareholders' approval at the forthcoming Annual General Meeting ("AGM") is RM236,750 for the Financial Year ended 2025, and RM355,000 for the period from 1st January 2026 up to the conclusion of the next AGM to be held in year 2027.

The details of remuneration paid or payable to the Directors for the Financial Year and top three Senior Management are disclosed in Practice 8.1 and 8.2 of Corporate Governance Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Management Committee

The Board has established an effective and independent Audit and Risk Management Committee ("ARMC"). The ARMC members are financially literate and are able to understand matters under the purview of the ARMC, including the financial reporting process. Presently, the ARMC comprises solely Independent Non-Executive Directors, and the Chairperson of the ARMC is not the Chairperson of the Board.

When considering the appointment of former key audit partner from its current External Auditors' firm, the ARMC is mindful of the minimum three (3) years' cooling-off period as set out in the MCCG best practice before appointing such partner as a member of the ARMC. The Board is satisfied that, with the current composition and practices, the ARMC is able to objectively review and report its findings and recommendations to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT *cont'd*

I. Audit and Risk Management Committee *cont'd*

Annually, the ARMC reviews the appointment, performance and remuneration of the External Auditors before recommending their re-appointment to the Board for approval and for shareholders' approval at the forthcoming AGM. In assessing the External Auditors, the ARMC considers the adequacy of the firm's resources, the quality of service, and the competency of the staff assigned to the audit, as well as the auditors' independence and fees.

The ARMC convenes meetings with the External Auditors and Internal Auditors without the presence of the Executive Directors and employees of the Group, as and when necessary. As part of its review process, the ARMC also obtains assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with all relevant professional and regulatory requirements.

II. Risk Management and Internal Control

The Board as a whole is responsible for risk management through the oversight of the Audit and Risk Management Committee ("ARMC"), while the Executive Directors, together with the senior management team, are primarily responsible for managing risks and implementing internal controls within the Group.

Information of the Group's internal control and risk management is presented in the Statement on Risk Management and Internal Control set out on pages 74 to 76 of the Annual Report. The Board has also commented in the said statement that it is satisfied with the effectiveness and adequacy of the Group's existing risk management and internal control systems.

The internal audit function is carried out by Talent League Sdn Bhd ("Talent League"), an outsourced internal audit consulting firm. The internal audit function is headed by a director who is assisted by a manager and supported by an audit executive. The Director in charge is a qualified accountant and a member of the Institute of Internal Auditors Malaysia, while the rest of the team members are accounting graduates. The Internal Auditors have performed their work with reference to the principles of the International Professional Practice Framework of the Institute of Internal Auditors, covering audit planning, execution, documentation, communication of findings and consultation with key stakeholders. The ARMC will review the engagement between the Group and Talent League to ensure that the Internal Auditors' objectivity and independence are not impaired or affected.

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

I. Communication with Stakeholders

The Board maintains an effective communications policy that enables both the Board and the Management to communicate effectively with its shareholders, stakeholders and the public. The policy effectively interprets the operations of the Group to the shareholders and accommodates feedback from shareholders, which are factored into the Group's business decision.

The Board communicates information on the operations, activities and performance of the Group to the shareholders, stakeholders and the public through the following:

- i. the Annual Report, which contains the financial and operational review of the Group's business, corporate information, financial statements, and information on the ARMC and Board of Directors;
- ii. various announcements made to Bursa Securities, which include announcements on quarterly results;
- iii. the Company's website at <https://www.fibromatberhad.com.my/>

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS *cont'd*

I. Communication with Stakeholders *cont'd*

The Board communicates information on the operations, activities and performance of the Group to the shareholders, stakeholders and the public through the following: *cont'd*

- iv. engagements with research analysts, fund managers, shareholders and the media to give them a better understanding of the Group's business, in particular, and the industry in which the Group operates, in general, as well as its performance and major developments; and
- v. participation in surveys and research conducted by professional organisations as and when such requests arise.

Shareholders and investors are also encouraged to interact and provide feedback to the Chairperson for opinions or concerns. Separately, the Company has also reported its Sustainability Statement on page 27 of this Annual Report, covering the aspects of governance, environment and social responsibility for stakeholders' reference.

II. Conduct of General Meetings

The AGM serves as an important means of communication with shareholders. Notice of the AGM, together with the Annual Report, are sent to shareholders at least 28 days prior to the meeting, in line with the best practices as recommended by the MCCG and in accordance with the Company's Constitution and the provisions in the Companies Act, 2016.

At each AGM, the Board presents the progress and performance of the Group's business and encourages participation of shareholders during the question-and-answer sessions. The Chairperson and the Board will respond to all questions raised by shareholders during the AGM.

Shareholders who are unable to attend the AGM are advised that they may appoint proxies to attend and vote on their behalf.

Explanation for each proposed resolution set out in the Notice of AGM will be provided, if needed, during the AGM to assist shareholders in making their decisions and exercising their voting rights. In line with Rule 8.31A(1) of the AMLR, all resolutions set out in the Notice of AGM will be put to vote by poll. The Company will also appoint an independent scrutineer to validate the votes cast at the AGM. The outcome of the AGM will be announced to Bursa Securities on the same meeting day, while the summary of key matters discussed during the AGM will be posted on the Company's website.

This Statement is made in accordance with the approval and resolution of the Board of Directors on 21 April 2026.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad on 8 May 2025. In conjunction with the listing exercise, the Company undertaken a public issue of 32,276,000 new ordinary shares at an issue price of RM0.55 per share, raising gross proceeds of RM17.75 million.

The status of the utilisation of the proceeds as at 31 December 2025 is disclosed as follows:

Utilisation of proceeds	Proposed utilisation RM'000	Actual utilisation RM'000	Utilised amount RM'000	Estimated timeframe for utilisation from the Listing date
Purchase of machinery	7,560	3,190	4,370	Within 12 months
Working capital	6,712	6,712	-	Within 12 months
Estimated listing expenses	3,480	3,480	-	Within 1 month
Total	17,752	13,382	4,370	

2. AUDIT AND NON-AUDIT FEES

The amount of the external audit fees and non-audit fees incurred for FYE 2025 were as follows:

	The Group RM'000	The Company RM'000
Statutory audit fees	170	30
Other services	15	15

3. MATERIAL CONTRACTS INVOLVING DIRECTORS', CHIEF EXECUTIVE'S AND MAJOR SHAREHOLDERS' INTEREST

There were no material contracts entered into by the Group, involving the interests of the Directors and major shareholders, either still subsisting at the end of FYE 2025 or entered into since the end of the previous period.

4. RECURRENT RELATED PARTY TRANSACTIONS

There were no transactions, existing and/ or potential, entered or to be entered into by the Group which involve the interests, direct or indirect, of its related parties which are material to the Group during FYE 2025.

ADDITIONAL COMPLIANCE INFORMATION

cont'd

5. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Rule 9.25A of the ACE Market Listing Requirements, the following financial information is presented for the purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. This includes financial data relating to Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Total incomes and total assets

	Remarks	Group	
		FYE 2025 RM'000	FYE 2024 RM'000
Total incomes			
Revenue		113,478	75,463
Other income		791	595
		114,269	76,058
Total assets		143,551	80,734

(b) Business activities

	Remarks	Group	
		FYE 2025 RM'000	FYE 2024 RM'000
Shariah non-compliant activities			
Interest income	Conventional	136	26
		136	26

(c) Component of financial position

(i) Cash Component

	Remarks	Group	
		FYE 2025 RM'000	FYE 2024 RM'000
Islamic account/Instruments			
Cash and bank balances (exclude cash in hand)		4,837	189
Total		4,837	189
Conventional account/Instruments			
Cash and bank balances (exclude cash in hand)		2,253	4,293
Deposits with licensed banks		1,308	1,284
Total		3,561	5,572

ADDITIONAL COMPLIANCE INFORMATION

cont'd

5. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING *cont'd*

(c) Component of financial position *cont'd*

(ii) Debt Component

Islamic financing	Group	
	FYE 2025 RM'000	FYE 2024 RM'000
Current	N/A	N/A
Non-current	N/A	N/A
Term financing	9,501	N/A
Total financing	N/A	N/A
Conventional borrowing		
Current		
Term loans	4,856	1,969
Hire purchase payables	2,692	744
Banker's acceptances	3,082	2,951
Bank overdraft	751	-
Non-current		
Term loans	5,899	4,608
Hire purchase payables	9,510	1,280
	26,790	11,552

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Board of Directors (“Board”) of Fibromat (M) Berhad (“Fibromat” or “the Company”) is pleased to present the Statement on Risk Management and Internal Control (“Statement”), outlining the nature and scope of the Group’s risk management and internal control systems for the financial year ended 31 December 2025 (“FY2025”).

BOARD RESPONSIBILITY

The Board of the Company acknowledges its overall responsibility for maintaining a sound system of risk management and internal control to safeguard shareholders’ investments and the Group’s assets. The Board, through the Audit and Risk Management Committee (“ARMC”) comprising solely of Independent Non-Executive Directors, to review the adequacy and effectiveness of such systems. This Statement is prepared pursuant to the requirements of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Companies Act 2016 and Principle B of the Malaysian Code on Corporate Governance 2021 (“MCCG”), with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

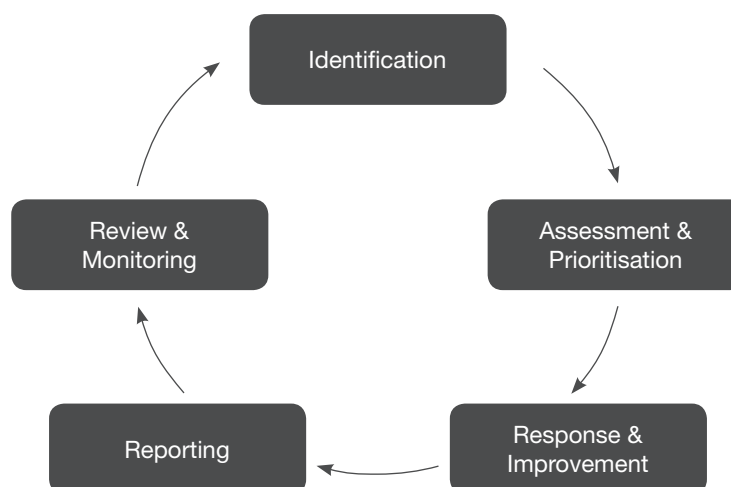
Following the successful transfer of listing from the LEAP Market to the ACE Market on 8 May 2025, the Board has continued to strengthen its governance framework to align with heightened regulatory expectations. The Board confirms that the system of risk management and internal control is designed to manage rather than eliminate risks of failure in achieving business objectives, and can only provide reasonable, but not absolute assurance against material misstatement, fraud, or loss.

The Audit and Risk Management Committee (“ARMC”), on a periodic basis, evaluates the adequacy and operating effectiveness of the risk management and internal control system and, where appropriate, requires the Management to implement pertinent controls to address emerging issues or areas of control deficiencies. The ARMC, on behalf of the Board, has reviewed this Statement for the FY2025 and recommended its approval to the Board.

RISK MANAGEMENT FRAMEWORK

The Group adopts a structured Risk-Based Internal Audit (“RBIA”) methodology as the foundation of its risk management framework. The process is embedded across the organisation and consists of the following key stages:

Procedure: Risk Management Cycle



Risk identification and assessment are performed at both operational and strategic levels, with Heads of Departments (“HODs”) responsible for identifying and managing risks within their respective functions. The Group has established a Risk Management & ESG Working Committee at the management level to further enhance governance and oversight.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

RISK MANAGEMENT FRAMEWORK *cont'd*

The Committee is chaired by the Chief Financial Officer, with the Chief Executive Officer acting as Deputy Chairperson, supported by a Risk & ESG Secretariat and HODs. Key deliverables include the Enterprise Risk Register, Top 10 Risks Dashboard, mitigation action tracking, ESG KPI scorecards, and incident reporting mechanisms. These are quarterly reported to the ARMC to ensure transparency and timely decision-making.

INTERNAL CONTROL FRAMEWORK

Key features of the internal control system are as follows:

- **Organisation structure and authorisation procedure**

The Group has established an organisational structure with formally defined lines of responsibility and delegation of authority, augmented by hierarchical reporting culminating in the Board. The organisational structure enables each department to focus on the respective roles and responsibilities assigned to them and enhances operational efficiency and effectiveness.

- **Code of conduct and ethics**

The Group has a formalised Code of Conduct and Ethics Policy to provide a behavioral framework which sets out the Group's standards of integrity, acceptable conduct and behavior. The Code of Conduct and Ethics is communicated to all employees of the Group.

The Company's Code of Conduct and Ethics Policy is available on the Company's website at <https://fibromatberhad.com.my/corporate-governance.html>.

- **Policies and Procedures**

The Group has established policies and procedures for the Group's core business units, which are clearly communicated to all employees. These policies and procedures are reviewed and updated from time to time to adapt to the changing business environment.

- **Business performance monitoring**

Business performance is monitored periodically, focusing on both financial and operational results. The Board receives Management Reports on business performance, which include action plans to address areas of concern, if any. The ARMC assists the Board in reviewing quarterly financial performances, which are approved by the Board before the same is announced to the regulators and the public. Full-year financial statements are audited by External Auditors before announcement to the regulators and the public.

- **Anti-Bribery and Anti-Corruption Policy ("ABAC")**

ABAC policy is developed to provide guidance to the Group's associated persons on ethical business approach and to avoid engaging in bribery activities when dealing with the occasions, practices and deviation for gift, hospitality and entertainment, sponsorship and donation.

The Company's ABAC Policy is available on the Company's website at <https://fibromatberhad.com.my/corporate-governance.html>.

- **Whistleblowing Policy**

The Whistleblowing Policy aims to provide an avenue and a structured mechanism for the employees or stakeholders of the Group to raise or report suspected and/or known misconduct, wrongdoings, corruption and instances of fraud, waste, and/or abuse involving the resources of the Company to provide reassurance that they shall be protected from reprisals or victimisation for whistleblowing in good faith.

The Company's Whistleblowing Policy are available on the Company's website at <https://fibromatberhad.com.my/corporate-governance.html>.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent professional firm, Talent League Sdn. Bhd., which reports directly to the ARMC. The internal audit function adopts the International Professional Practices Framework (“IPPF”) 2024 – Global Internal Audit Standards issued by the Institute of Internal Auditors Malaysia.

Internal audits are performed based on a risk-based approach, covering key operational, financial and compliance areas of the Group. The ARMC has approved two audit cycles per annum, with the audit plan reviewed periodically to reflect evolving risk priorities.

Audit findings and recommendations are reported to the ARMC and the Board, and management is responsible for implementing corrective actions. Follow-up reviews are conducted to monitor the status of implementation.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have performed limited assurance engagement on this Statement for inclusion in the Annual Report for the financial year ended 31 December 2025 as required by Rule 15.23 of the ACE Market Listing Requirements of Bursa Securities and have reported that nothing has come to their attention that causes them to believe that the contents of this Statement intended to be included in the annual report are not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is the Statement on Risk Management and Internal Control factually inaccurate.

Their review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and Audit and Assurance Practice Guide 3 (“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 consider whether the Statement covers all risks and controls or to form an opinion on the adequacy and effectiveness of the Group’s risk management and internal control system. The external auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

CONCLUSION

For the financial year under review, the Board is of the view that the Group’s overall risk management and internal control system is generally adequate and effective in addressing the risks identified. Continuous improvements are being undertaken, particularly in strengthening Standard Operating Procedure documentation, compliance practices, and operational controls in line with the Group’s expansion following its ACE Market listing.

The Board has received assurance from the Managing Director and Chief Executive Officer, and Chief Financial Officer that the Group’s risk management and internal control system is operating adequately and effectively in all material aspects in safeguarding the interests of stakeholders and assets of the Group.

The Board is of the view that there were no material losses incurred by the Group during the FY2025 as a result of weaknesses in internal controls. The Group continues to take the necessary measures to strengthen the risk management processes and internal control environment of the Group.

This Statement on was approved by the Board on 21 April 2026.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors (“Board”) of Fibromat (M) Berhad (“Fibromat” or “the Company”) is pleased to present the Audit and Risk Management Committee (“ARMC”) Report for the financial year ended 31 December 2025.

COMPOSITION OF THE ARMC AND ATTENDANCE

The ARMC met five times during the financial year ended 31 December 2025. The members of the ARMC and their attendance at the ARMC Meetings held during the financial year ended 31 December 2025 are as follows:

MEMBERS OF THE ARMC	TOTAL MEETINGS ATTENDED
Chao Kar Po – Chairperson <i>Independent Non-Executive Director</i>	5/5
Loo Pak Soon – Member <i>Independent Non-Executive Director</i>	5/5
Ilham binti Umar Thabii – Member <i>Independent Non-Executive Director</i>	5/5

TERMS OF REFERENCE OF ARMC

(A) Terms of Membership

The ARMC shall be appointed by the Board of Directors amongst its members and consist of at least three (3) members, of whom all must be Non-Executive Directors with a majority of them being Independent Non-Executive Directors. The Chairman, who shall be elected by the ARMC, must be an independent director. Currently all the members are comprised of Independent Non-Executive Directors.

The Committee shall include one member who is a member of the Malaysian Institute of Accountants (“MIA”); or if he/she is not a member of the MIA, he/she must have at least three (3) years’ working experience and he/she must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or he/she must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

In the event of any vacancy in the ARMC resulting in the non-compliance with the Listing Requirements of Bursa Securities, the Board shall appoint a new member within three (3) months.

The Nomination Committee shall review the term of office and the performance of the ARMC and each of its members annually.

No alternate Director shall be appointed as a member of the ARMC.

(B) Meetings and Quorum of the ARMC

In order to form a quorum in respect of a meeting of the ARMC, the majority of the members present must be Independent Non-Executive Directors. The Company Secretary shall act as secretary of the ARMC and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it together with the relevant support papers, at least one (1) week prior to each meeting.

The ARMC may require the attendance of any management staff from the Finance/Accounts Department or other departments deemed necessary together with a representative or representatives from the external auditors and/or internal auditors.

In any event, should the external auditors or internal auditors request, the Chairman of the ARMC shall convene a meeting of the committee to consider any matter the external auditors or internal auditors believe should be brought to the attention of the Director or shareholders.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

TERMS OF REFERENCE OF ARMC *cont'd*

(C) Functions of the ARMC

The duties and responsibilities of the ARMC include the following:

1. To consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal;
2. To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
3. To discuss with the external auditor on the evaluation of the system of internal controls and the assistance given by the employees to the external auditors;
4. To review and report to the Board if there is reason (supported by grounds) to believe that the external auditor is not suitable for reappointment;
5. To review the quarterly and year-end financial statements of the Company and Group prior to the approval of the Board, focusing particularly on:
 - a. Changes in or implementation of major accounting policies and practices;
 - b. Significant adjustments arising from the audit;
 - c. The going concern assumption;
 - d. Compliance with accounting standards and other legal requirements; and
 - e. Key audit matters and related party transactions
6. To discuss problems and reservations arising from the interim and final audit, and any matter the external auditors may wish to discuss (in the absence of management where necessary);
7. To review the external auditor's management letter and management's response;
8. To do the following in relation to the internal audit function:
 - a. reviews the adequacy of the scope and plan, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - b. reviews the internal audit programmes and the results of the internal audit processes or investigation undertaken and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function;
 - c. conducts appraisal or assessment of the performance of the internal auditors;
 - d. approves any appointment or termination of the internal auditors; and
 - e. takes cognisance of resignation of internal auditors and provide the resigning parties an opportunity to submit his reasons for resigning.
9. To review any related party transactions and conflict of interest situation that may arise within the Company or the Group;
10. To review and assess the Group's risk register on a periodic basis;
11. To consider the major findings of internal investigations and the management's response; and
12. To consider any other functions or duties as may be agreed by the Committees and the Board.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

TERMS OF REFERENCE OF ARMC *cont'd*

(D) Rights of the ARMC

The ARMC wherever necessary and reasonable for the performance of its duties shall be empowered as follows:

1. have authority to investigate any matter within its terms of reference;
2. have the resources which are required to perform its duties;
3. have full and unrestricted access to any information pertaining to the Company and Group;
4. have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
5. be able to obtain independent professional or other advice when needed;
6. be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Group, whenever deemed necessary; and
7. where ARMC is of the view that there is a matter that has not been satisfactorily resolved resulting in a breach of the ACE Market Listing Requirements of Bursa Malaysia, the ARMC shall promptly report such matter to the Bursa Securities.

(E) Procedure of ARMC

The ARMC regulates its own procedures by:

1. the calling of meetings;
2. the notice to be given of such meetings;
3. the voting and proceedings of such meetings;
4. the keeping of minutes; and
5. the custody, protection and inspection of such minutes.

(F) Summary of Activities of the ARMC

During the financial year up to the date of this Report, the ARMC carried out the following activities in discharging their duties and responsibilities:

1. Financial Results

Reviewed quarterly results and audited annual financial statements of the Group and Company before recommending to the Board for release to Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The review focused primarily on:

- a. major judgmental areas, key audit matters as well as significant and unusual events;
- b. significant adjustments resulting from audit;
- c. the going concern assumptions;
- d. compliance with applicable approved accounting standards in Malaysia; and
- e. compliance with Listing Requirements of Bursa Malaysia and other regulatory requirements; and
- f. related party transactions.

2. External Audit

- a. Reviewed with the external auditors, their audit plan for the financial year ended 31 December 2025 to ensure that their scope of work adequately covers the activities of the Group;
- b. Reviewed the results and issues arising from their audit of the annual financial statements and their resolution of such issues as highlighted in their report to the Committee. The external auditors highlighted some new MFRS developments in particular MFRS 18 and 19, and amendments to MFRS 1, 7, 9, 10, 19, 107, 121 and 128. However, these are not expected to pose any material impact on the Group. Key and significant audit matters such as trade receivables and contract assets and revenue recognition on construction activities were also discussed, however, there were no material findings to be disclosed herein.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

TERMS OF REFERENCE OF ARMC *cont'd*

(F) Summary of Activities of the ARMC *cont'd*

2. External Audit *cont'd*

- c. The external auditors also highlighted that the Sustainability statements as required under Guidance Note 11 of the ACE Market Listing Requirements will need to include a disclosure as to whether it has been subjected to an internal review by internal auditors or an independent third party assurance assessment. They also highlighted the requirements of the National Sustainability Reporting Framework ("NSRF") and in particular the disclosures required for IFRS S1 and IFRS S2.
- d. As for recommendations in terms of improvement matters, suggestions had been made for control improvements in terms of documentation for the application of significant accounting estimates where management will be working with the external auditors for this improvement.
- e. Reviewed their performance, competencies and resource adequacies and independence before recommending to the Board for their reappointment and remuneration. Also reviewed the fees to be paid for their scope of work.
- f. Reviewed the audit fees and non-audit fees prior to the Board's approval.
- g. Had a private session with the External Auditors during the financial year, i.e. on 24 February 2026 without the presence of the Executive Directors and Management to discuss further with them any issues of concern, if any, arising from the audit.

3. Internal Audit

- a. Reviewed the Internal Audit Plan presented by the Internal Auditors.
- b. Reviewed the reports from the Internal Auditors and assessed the Internal Auditors' findings and the Management's responses and the necessary recommendations.
- c. Reviewed and discussed the effective implementation of the action plans taken by the Management in response to audit findings and weaknesses identified during the audit review.
- d. Reviewed and assessed the adequacy of the scope, functions, independence, framework and methods employed and competency as well as resources of the outsourced Internal Auditors and that they have the necessary authority to carry out their work.
- e. Had private sessions with the Internal Auditors on 24 February 2026, without the presence of the Executive Directors and Management for discussion on internal audit related matters.

4. Other Activities

- a. Reviewed if there is any recurrent related party transactions entered into by the Group during the financial year under review.
- b. Reviewed if there is any related party transactions and conflict of interest/potential conflict of interest situation of the Group, including the policies and procedures set out to ensure the transactions made are fair, reasonable and were in the best interest of the Group.
- c. Reviewed and updated the Group's risks-based assessment model based on continuous monitoring and follow ups. Also reviewed the progress of the framework in preparation of the Sustainability Statement where progresses are being made to improve the reporting framework to ensure it complies with the regulatory requirements and reporting standards.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

TERMS OF REFERENCE OF ARMC *cont'd*

(F) Summary of Activities of the ARMC *cont'd*

4. Other Activities *cont'd*

- d. Reviewed the Statement on Risk Management and Internal Control, ARMC Report, Corporate Governance Overview Statement and Corporate Governance Report prior to recommendation for Board's approval for inclusion into the Annual Report 2025.

INTERNAL AUDIT FUNCTION

The Group's internal audit function, which reports directly to the ARMC, is outsourced to Talent League Sdn Bhd ("Talent League"), to assist the ARMC in undertaking systematic and independent assessment on the adequacy, efficiency and effectiveness of the Group's system of risk management and internal control. They were free from any relationships or conflicts of interest, which could impair their objectivity and independence.

The internal audit team reports the audit findings and recommendations, with Management Action Plan to the ARMC. It performs follow-up on the status of implementation by Management of the Group on the observations raised in preceding cycles of internal audit and reports the status of corrective actions undertaken to the ARMC. During this financial year, the costs incurred for the internal audit function was RM30,000. (2024: RM15,000).

Further details on the risk management, internal controls and internal audit functions, please refer to the Statement on Risk Management and Internal Control in this Annual Report.

The ARMC Report was made in accordance with the approval of the Board of Directors on 21 April 2026.

DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

Pursuant to the Companies Act, 2016 ("Act") and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Directors are required to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company, and of their financial performance and cash flows.

The Directors are of the opinion that the financial statements of Fibromat (M) Berhad ("Fibromat" or "the Group") have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the provisions of the Act, 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.

In preparing the financial statements, the Directors have ensured that:

- a) appropriate and relevant accounting policies have been adopted and applied consistently;
- b) judgments and estimates are made on a reasonable and prudent basis;
- c) all applicable accounting standards have been complied with; and
- d) the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company maintain proper accounting records which disclose, with reasonable accuracy, the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Act.

The Directors have also taken appropriate and reasonable steps to ensure that effective systems of internal control are in place to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities. The system of internal control and risk management is subject to continuous review, and the Directors remain committed to strengthening these systems in line with the Group's growth and regulatory obligations as a listed issuer on the ACE Market.

This statement is made in accordance with a resolution of the Board dated 21 April 2026.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors hereby submit 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 activity of the Company is investment holdings.

The principal activities of its subsidiaries include provision of geotechnical solutions, including design, manufacturing and installation for erosion control, ground improvement, as well as sediment control, filtration and containment lining, and the trading of geosynthetics and erosion control products, engagement in the business of product sales and distribution, engagement in the business of project installation and contracting works, and to engagement in the business of local tendering, logistics and regional growth in Sabah and Sarawak.

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

RESULTS

	Group RM	Company RM
Profit/(loss) for the financial year, net of tax	16,388,067	(2,424,860)
Attributable to:		
Owners of the Company	16,388,067	(2,424,860)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 December 2025.

RESERVES OR PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps 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 had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

DIRECTORS' REPORT

cont'd

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business, including their values as shown in the accounting records of the Group and of the Company, had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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; and
- (ii) any contingent liabilities in respect of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group and of the Company 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.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances 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.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is 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.

AUDITORS' REMUNERATION AND INDEMNITY

The auditors' remuneration of the Group and the Company during the financial year were 185,000 and 45,000 respectively.

DIRECTORS' REPORT

cont'd

AUDITORS' REMUNERATION AND INDEMNITY *cont'd*

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of Companies Act 2016 in Malaysia.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 32,276,000 new ordinary shares at Initial Public Offering ("IPO") price of RM0.55 per ordinary share.

The new ordinary shares issued during the financial year rank pari passu in all respect with the existing ordinary shares of the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Mohd Tarmim Bin Sidek	
Ng Kian Boon*	
Ng Chun Hou	(Resigned on 30 January 2026)
Fauziah Binti Ahmad	
Loo Pak Soon	
Chao Kar Po	
Ilham Binti Umar Thabii	
Ng Chun Yew*	(Appointed on 22 September 2025)

* Directors of the Company and its subsidiaries

DIRECTORS' REPORT

cont'd

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

Interests in the Company

	Number of ordinary shares			
	At 1 January 2025	Bought	Sold	At 31 December 2025
Direct interests:				
Mohd Tarmim Bin Sidek	2,916,002	400,000	(1,216,000)	2,100,002
Ng Kian Boon	182,867,098	5,569,300	(35,227,100)	153,209,298
Ng Chun Hou	-	1,200,000	(1,200,000)	-
Fauziah Binti Ahmad	-	150,000	-	150,000
Loo Pak Soon	-	150,000	(100,000)	50,000
Chao Kar Po	-	20,000	-	20,000
Ng Chun Yew	-	476,700	(34,600)	442,100
Indirect interests:				
Ng Kian Boon	-(⁽¹⁾)	1,676,700	(1,234,600)	442,100
Ng Chun Hou	182,867,098 ⁽²⁾	5,569,300	(35,227,100)	153,209,298
Ng Chun Yew	182,867,098 ⁽²⁾	5,569,300	(35,227,100)	153,209,298

⁽¹⁾ Shares held through son.

⁽²⁾ Shares held through parent.

By virtue of their interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Ng Kian Boon and Ng Chun Yew are deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in shares of the Company and 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 any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as shown below) 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.

DIRECTORS' REPORT

cont'd

DIRECTORS' BENEFITS

The directors' benefits of the Group and of the Company are as follows:

	Group RM	Company RM
Directors of the Company		
- Directors fee	205,250	205,250
- Salaries, bonuses and allowances	582,834	31,500
- Defined contribution plans	80,249	-
- Other related benefits	3,294	-
	871,627	236,750

The estimated value of benefits-in-kind provided to the directors of the Group for the financial year amounted to RM28,688.

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is 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.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the directors and officers of the Group were RM14,326,758 and RM252,636 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are as follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest		Principal activities
		2025 %	2024 %	
MTS Fibromat (M) Sdn. Bhd.	Malaysia	100	100	Provision of geotechnical solutions, including design, manufacturing and installation for erosion control, ground improvement, as well as sediment control, filtration and containment lining, and the trading of geosynthetics and erosion control products.
Fibromat Geo Edaran Sdn. Bhd. *	Malaysia	100	-	To engage in the business of product sales and distribution.
Fibromat Geo Kukuh Sdn. Bhd. *	Malaysia	100	-	To engage in the business of project installation and contracting works.
Fibromat Borneo Sdn. Bhd. *	Malaysia	100	-	To engage in the business of local tendering, logistics and regional growth in Sabah and Sarawak.

* Fibromat Geo Edaran Sdn. Bhd., Fibromat Geo Kukuh Sdn. Bhd. and Fibromat Borneo Sdn. Bhd. were incorporated on 11 December 2025, remained dormant and have not commenced business operations as at 31 December 2025. These subsidiaries were not audited as at 31 December 2025.

Other than as mentioned above, the available auditors' reports on the accounts of the subsidiary did not contain any qualification.

DIRECTORS' REPORT

cont'd

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Listing on ACE Market on Bursa Malaysia Securities Berhad

On 11 April 2025, the Company issued its Prospectus and undertook an IPO, comprising the public issue of 32,276,000 new ordinary shares at the IPO of RM0.55 per ordinary share allotted in the following manner:

- (i) 12,414,000 new ordinary shares available for application by Malaysian Public;
- (ii) 6,207,000 new ordinary shares available for application by the eligible directors and employees of the Group; and
- (iii) 13,655,000 new ordinary shares by way of private placement to the Bumiputera investors approved by the Ministry of Investment, Trade and Industry.

On 8 May 2025, the Company was listed on the ACE Market of Bursa Malaysia Securities Berhad comprising public issue of 32,276,000 new ordinary shares.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

NG KIAN BOON
Director

NG CHUN YEW
Director

Date: 21 April 2026

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	48,529,548	20,886,700	-	-
Investment property	6	604,439	617,772	-	-
Investment in subsidiaries	7	-	-	38,436,003	38,435,997
Total non-current assets		49,133,987	21,504,472	38,436,003	38,435,997
Current assets					
Inventories	8	22,710,247	17,706,910	-	-
Current tax assets		322,964	-	-	-
Trade and other receivables	9	34,048,905	27,612,141	20,805,751	6,452,659
Contract assets	10	28,908,373	7,488,114	-	-
Cash and short-term deposits	11	8,426,183	5,778,462	524,068	185,554
		94,416,672	58,585,627	21,329,819	6,638,213
Asset classified as held for sale	12	-	643,765	-	-
Total current assets		94,416,672	59,229,392	21,329,819	6,638,213
TOTAL ASSETS		143,550,659	80,733,864	59,765,822	45,074,210
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	13	61,661,078	44,700,000	61,661,078	44,700,000
Merger reserve	14	(31,935,997)	(31,935,997)	-	-
Retained earnings/(accumulated loss)		58,296,808	41,908,741	(2,224,316)	200,544
TOTAL EQUITY		88,021,889	54,672,744	59,436,762	44,900,544
Non-current liabilities					
Loans and borrowings	15	24,939,100	5,888,365	-	-
Deferred tax liabilities	16	1,755,865	667,542	-	-
Total non-current liabilities		26,694,965	6,555,907	-	-
Current liabilities					
Loans and borrowings	15	11,400,985	5,671,131	-	-
Current tax liabilities		22,604	1,095,204	22,604	-
Trade and other payables	17	16,022,696	12,451,498	306,456	173,666
Contract liabilities	10	1,387,520	287,380	-	-
Total current liabilities		28,833,805	19,505,213	329,060	173,666
TOTAL LIABILITIES		55,528,770	26,061,120	329,060	173,666
TOTAL EQUITY AND LIABILITIES		143,550,659	80,733,864	59,765,822	45,074,210

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

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	18	113,478,362	75,462,528	-	3,660,000
Cost of sales	19	(79,628,230)	(54,755,870)	-	-
Gross profit		33,850,132	20,706,658	-	3,660,000
Other income	20	791,264	594,977	94,183	-
Selling and distribution expenses		(2,740,581)	(2,122,161)	-	-
Administrative expenses		(7,158,478)	(4,156,811)	(2,496,439)	(1,420,968)
Other operating expenses		(392,278)	(533,859)	-	-
Operating profit/(loss)		24,350,059	14,488,804	(2,402,256)	2,239,032
Finance costs	21	(1,735,688)	(1,057,979)	-	-
Profit/(loss) before tax	22	22,614,371	13,430,825	(2,402,256)	2,239,032
Income tax expense	24	(6,226,304)	(3,457,282)	(22,604)	-
Profit/(loss) for the financial year, representing total comprehensive income/(loss) for the financial year		16,388,067	9,973,543	(2,424,860)	2,239,032
Profit/(loss) attributable to owners of the Company, representing total comprehensive income/(loss) attributable to owners of the Company		16,388,067	9,973,543	(2,424,860)	2,239,032
Basic and diluted earnings per share (sen):	25	6.91	4.62		

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

Group	Note	Attributable to owners of the Company			Total equity RM
		Share capital RM	Merger reserve RM	Retained earnings RM	
At 1 January 2024		44,700,000	(31,935,997)	34,095,198	46,859,201
Total comprehensive income for the financial year					
Profit for the financial year, representing total comprehensive income for the financial year		-	-	9,973,543	9,973,543
Transaction with owners					
Dividends paid on shares	26	-	-	(2,160,000)	(2,160,000)
At 31 December 2024		44,700,000	(31,935,997)	41,908,741	54,672,744
Total comprehensive income for the financial year					
Profit for the financial year, representing total comprehensive income for the financial year		-	-	16,388,067	16,388,067
Transactions with owners					
Issuance of shares	13	17,751,800	-	-	17,751,800
Share issuance expenses	13	(790,722)	-	-	(790,722)
Total transactions with owners		16,961,078	-	-	16,961,078
At 31 December 2025		61,661,078	(31,935,997)	58,296,808	88,021,889

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2025
cont'd

Company	Note	Attributable to owners of the Company		Total equity RM
		Share Capital RM	Retained earnings/ (Accumulated loss) RM	
At 1 January 2024		44,700,000	121,512	44,821,512
Total comprehensive income for the financial year				
Profit for the financial year, representing total comprehensive income for the financial year		-	2,239,032	2,239,032
Transaction with owners				
Dividends paid on shares	26	-	(2,160,000)	(2,160,000)
At 31 December 2024		44,700,000	200,544	44,900,544
Total comprehensive loss for the financial year				
Loss for the financial year, representing total comprehensive loss for the financial year		-	(2,424,860)	(2,424,860)
Transactions with owners				
Issuance of shares	13	17,751,800	-	17,751,800
Share issuance expenses	13	(790,722)	-	(790,722)
Total transactions with owners		16,961,078	-	16,961,078
At 31 December 2025		61,661,078	(2,224,316)	59,436,762

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

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from operating activities					
Profit/(loss) before tax		22,614,371	13,430,825	(2,402,256)	2,239,032
Adjustments for:					
Depreciation of property, plant and equipment		3,091,199	1,813,610	-	-
Depreciation of an investment property		13,333	40,675	-	-
Loss/(gain) on disposal of property, plant and equipment		14,775	(13,000)	-	-
Loss on disposal of an investment property		-	168,612	-	-
Loss on disposal of asset held for sale		93,765	-	-	-
Reversal of impairment loss on trade receivables		(644,998)	(81,572)	-	-
Impairment loss on trade receivables		289,029	365,247	-	-
Bad debt written off		9,484	-	-	-
Finance cost		1,735,688	1,057,979	-	-
Finance income		(135,962)	(26,096)	(94,183)	-
Net unrealised foreign exchange loss		8,164	17,160	-	-
Operating profit/(loss) before changes in working capital		27,088,848	16,773,440	(2,496,439)	2,239,032
Change in working capital:					
Inventories		(5,003,337)	(1,455,293)	-	-
Trade and other receivables		(6,090,279)	(6,733,115)	350,707	-
Contract assets		(21,420,259)	(664,579)	-	-
Trade and other payables		3,556,457	(216,655)	132,790	26,666
Contract liabilities		1,100,140	(231,048)	-	-
Net cash (used in)/generated from operations		(768,430)	7,472,750	(2,012,942)	2,265,698
Income tax paid		(7,023,391)	(3,346,939)	-	-
Income tax refunded		489,846	-	-	-
Interest received		111,806	6,233	94,183	-
Interest paid		(555,257)	(141,095)	-	-
Net cash (used in)/from operating activities		(7,745,426)	3,990,949	(1,918,759)	2,265,698

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2025
cont'd

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from investing activities					
Purchase of property, plant and equipment	(a)	(19,188,596)	(1,077,042)	-	-
Proceeds from disposal of property, plant and equipment		17,500	24,000	-	-
Proceeds from disposal of asset held for sale		550,000	-	-	-
Investment in subsidiaries		-	-	(6)	-
Interest received		24,156	19,863	-	-
Change in pledged deposits		(24,156)	(19,863)	-	-
Net cash used in investing activities		(18,621,096)	(1,053,042)	(6)	-
Cash flows from financing activities					
	(b)				
Proceeds from issuance of ordinary shares		17,751,800	-	17,751,800	-
Share issuance expenses		(790,722)	-	(790,722)	-
Drawdown of term loans		6,900,000	400,000	-	-
Repayment of term loans		(2,723,070)	(2,194,378)	-	-
Drawdown of bankers' acceptance		15,692,562	12,241,735	-	-
Repayment of bankers' acceptance		(15,561,562)	(9,290,735)	-	-
Drawdown of term financing		9,501,000	-	-	-
Payment of lease liabilities		(20,041)	(20,171)	-	-
Repayment of hire purchase payables		(1,337,244)	(656,714)	-	-
Net change in amount owing by/to subsidiaries		-	-	(14,703,799)	(105,841)
Interest paid		(1,180,431)	(916,884)	-	-
Dividend paid		-	(2,160,000)	-	(2,160,000)
Net cash from/(used in) financing activities		28,232,292	(2,597,147)	2,257,279	(2,265,841)
Net increase/(decrease) in cash and cash equivalents		1,865,770	340,760	338,514	(143)
Cash and cash equivalents at the beginning of the financial year		4,494,452	4,136,845	185,554	185,697
Effect of exchange rate changes on cash and cash equivalents		6,577	16,847	-	-
Cash and cash equivalents at the end of the financial year	11	6,366,799	4,494,452	524,068	185,554

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2025

cont'd

- (a) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment.

	Note	2025 RM	2024 RM
Purchase of property, plant and equipment	5	30,766,322	2,462,142
Financed by way of lease arrangements	(b)	(62,226)	-
Financed by way of hire purchase arrangements	(b)	(11,515,500)	(1,385,100)
Cash payments on purchase of property, plant and equipment		19,188,596	1,077,042

- (b) Reconciliation of changes in liabilities arising from financing activities are as follows:

Group	1 January 2025 RM	Cash flows RM	Non-cash acquisition RM	31 December 2025 RM
Term loans	6,577,391	4,176,930	-	10,754,321
Lease liabilities	6,963	(20,041)	62,226	49,148
Hire purchase payables	2,024,142	(1,337,244)	11,515,500	12,202,398
Bankers' acceptance	2,951,000	131,000	-	3,082,000
Term financing	-	9,501,000	-	9,501,000
	11,559,496	12,451,645	11,577,726	35,588,867

Group	1 January 2024 RM	Cash flows RM	Non-cash acquisition RM	31 December 2024 RM
Term loans	8,371,769	(1,794,378)	-	6,577,391
Lease liabilities	27,134	(20,171)	-	6,963
Hire purchase payables	1,295,756	(656,714)	1,385,100	2,024,142
Bankers' acceptance	-	2,951,000	-	2,951,000
	9,694,659	479,737	1,385,100	11,559,496

Company

There were no non-cash changes in liabilities arising from financing activities.

- (c) Total cash outflows for leases

During the financial year, the Group had total cash outflows for leases of RM125,050 (2024: RM121,841).

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Fibromat (M) Berhad (the “Company”) is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at B-25-2, Block B, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor. The principal place of business of the Company is located at Wisma Fibromat, No. 574-B&C, Jalan Samudra Utara 1, Taman Samudra, 68100 Batu Caves, Selangor Darul Ehsan.

The principal activity of the Company is investment holdings. The principal activities of its subsidiaries are disclosed in Note 7.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 21 April 2026.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Adoption of amendments to MFRS

The Group and the Company have adopted the following applicable amendments to MFRS for the current financial year:

MFRS 121 The Effects of Changes in Foreign Exchange Rates

The adoption of the above amendments to MFRS did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Company’s existing accounting policies.

2.3 New MFRS and amendments to MFRSs that have been issued, but yet to be effective

(a) The Group and the Company have not adopted the following new MFRSs and amendments to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
<u>New MFRS</u>		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
<u>Amendments to MFRSs</u>		
MFRS 1	First-time Adoption of MFRSs	1 January 2026
MFRS 7	Financial Instruments: Disclosures	1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 107	Statement of Cash Flows	1 January 2026
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2027
MFRS 128	Investments in Associates and Joint Ventures	Deferred

NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. BASIS OF PREPARATION *cont'd*

2.3 New MFRS and amendments to MFRSs that have been issued, but yet to be effective *cont'd*

- (b) The Group and the Company plan to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group and the Company are summarised below.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 *Presentation of Financial Statements*. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including “operating profit”, which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity’s company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures (“MPMs”). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communicates about the entity’s financial performance, and any changes made to the MPMs in the year.

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the “operating” category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as “other” to be labelled and/or described in as faithfully representative and precise a way as possible.

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures

These narrow scope amendments to MFRS 9 clarify the requirements, including:

- clarify the classification of financial assets, particularly those with environmental, social and corporate governance and similar features should be assessed, specifically the assessment of interest focuses on what an entity is being compensated for, rather than how much compensation it receives. Nonetheless, the amount of compensation the entity receives may indicate that it is being compensated for something other than basic lending risks and costs.
- clarify the date on which a financial asset or a financial liability settled via electronic payment systems is derecognised. The Amendments permit an entity to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

Amendments to MFRS 7 introduces new disclosure requirements relating to:

- investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

2. BASIS OF PREPARATION *cont'd*

2.3 New MFRS and amendments to MFRSs that have been issued, but yet to be effective *cont'd*

- (b) The Group and the Company plan to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group and the Company are summarised below. *cont'd*

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates

Amendments to MFRS 121 clarifies how entities should translate financial statements from a non-hyperinflationary currency into a hyperinflationary presentation currency.

- When an entity's functional currency is the currency of a non-hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the results and financial position of the entity shall be translated into the presentation currency by translating all amounts (ie assets, liabilities, equity items, income and expenses, including comparatives) at the closing rate at the date of the most recent statement of financial position.
 - When an entity's functional currency and presentation currency are the currency of a hyperinflationary economy (or are the currencies of different hyperinflationary economies) and the entity translates the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy, the entity shall restate the comparative amounts of that foreign operation included in the entity's previously issued financial statements by applying the general price index it applies to corresponding figures for the previous reporting period in accordance with paragraph 34 of MFRS 129 *Financial Reporting in Hyperinflationary Economies*.
- (c) The initial application of the above applicable new MFRS and amendments to MFRSs are not expected to have any material impact on the financial statements.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate (the "functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, unless otherwise stated.

2.5 Basis of measurement

The financial statements of the Group and the Company have been prepared on the historical cost basis.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following material accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and the Company.

3.1 Basis of consolidation

Subsidiaries and business combination

The Group applies the acquisition method of accounting except for those business combinations which were accounted for using merger method of accounting.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

3.1 Basis of consolidation *cont'd*

Subsidiaries and business combination *cont'd*

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory. Under the merger method of accounting, the results of subsidiaries are presented as if the business combination had been affected throughout the current and previous financial years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the difference between costs of acquisition over the nominal value of share capital of the subsidiaries is taken to merger reserve or merger deficit.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries is measured at cost less any accumulated impairment losses.

3.3 Financial instruments

Financial assets – subsequent measurement and gains and losses

Debt instruments at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – subsequent measurement and gains and losses

The Group and the Company classify the financial liabilities at amortised cost. The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.4 Property, plant and equipment

Property, plant and equipment (other than right-of-use assets) are measured at cost less accumulated depreciation and any accumulated impairment losses.

All property, plant and equipment (other than right-of-use assets as disclosed in Note 3.5) are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Buildings	50
Motor vehicles	5
Plant and machinery	10
Furniture and fittings, computer equipment and office equipment	5 - 10
Equipment and tools	10
Moulds and dies	10
Renovation	10
Laboratory equipment	10

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

3.5 Leases

Lessee accounting

The Group presents right-of-use assets that do not meet the definition of investment property as property, plant and equipment in Note 5 and lease liabilities as loans and borrowings in Note 15.

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

3.6 Investment property

Investment property is stated at cost less accumulated depreciation and any accumulated impairment losses.

All investment property is depreciated on straight-line basis by allocating its depreciable amounts over its remaining useful lives.

	Useful lives (years)
Building	50

3.7 Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- raw materials: purchase cost on a first-in first-out basis.
- finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

3.8 Revenue and other income

(a) Sale of goods - manufacturing

The Group manufactures and sells a range of erosion control products to local customers. Revenue from sale of manufactured goods is recognised at a point in time when control of the goods has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with a credit term, which is consistent with market practice, therefore, no element of financing is deemed present.

There is no right of return and warranty provided to the customers on the sale of products.

Where consideration is collected from customer in advance for sale of manufactured good, a contract liability is recognised for the customer deposits. Contract liability would be recognised as revenue upon sale of manufactured goods to the customer.

(b) Construction contracts

The Group provides design and installation services to customers. Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the works performed is transferred over time as the Group creates and enhances an asset that the customer controls as the asset is created or enhanced. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

Billings are made with a credit term, which is consistent with market practice, therefore, no element of financing is deemed present. The Group becomes entitled to invoice customers for construction of commercial and industrial properties based on achieving a series of performance-related milestones.

The Group recognises a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognises a contract liability for the difference.

Defect liability period is usually from 6 to 24 months from the date of the issuance of the final payment certificate as provided by customers.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

3.9 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Executive Officer of the Group, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Impairment of trade receivables and contract assets

The impairment provisions for trade receivables and contract assets are based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimate at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions over the expected lives of the financial assets and contract assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the impairment losses on the Group's financial assets and contract assets are disclosed in Note 27(b)(i).

(b) Construction revenue

The Group recognised construction revenue in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction revenue and costs, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

The carrying amounts of the Group's contract assets and contract liabilities are disclosed in Note 10.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

5. PROPERTY, PLANT AND EQUIPMENT *cont'd*

Group	Note	Buildings	Motor vehicles	Plant and machinery	Furniture and fittings, computer equipment and office equipment	Equipment and tools	Moulds and dies	Renovation	Laboratory equipment	Right-of-use assets	Total
		RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Accumulated depreciation											
At 1 January 2024		1,877,845	1,491,208	7,975,265	916,999	272,805	153,127	318,908	205,425	242,135	13,453,717
Depreciation charge for the financial year	22	271,618	324,521	1,045,569	40,604	5,982	2,628	71,588	10,233	40,867	1,813,610
Disposals		-	(160,000)	(77,000)	(109,745)	-	-	-	-	-	(346,745)
At 31 December 2024		2,149,463	1,655,729	8,943,834	847,858	278,787	155,755	390,496	215,658	283,002	14,920,582
Depreciation charge for the financial year	22	291,153	522,546	2,062,478	66,693	11,500	2,628	73,404	25,735	35,062	3,091,199
Disposals		-	-	(123,725)	-	-	-	-	-	-	(123,725)
Derecognition due to end of lease term		-	-	-	-	-	-	-	-	(40,032)	(40,032)
Reclassification		(1)	-	(5,014)	(1)	-	-	-	5,016	-	-
At 31 December 2025		2,440,615	2,178,275	10,877,573	914,550	290,287	158,383	463,900	246,409	278,032	17,848,024
Net carrying amount											
At 31 December 2024		11,431,519	1,580,183	5,381,838	169,743	75,326	7,325	358,122	56,090	1,826,554	20,886,700
At 31 December 2025		13,484,366	2,353,745	30,067,675	306,980	121,517	4,697	304,261	32,259	1,854,048	48,529,548

NOTES TO THE FINANCIAL STATEMENTS

cont'd

5. PROPERTY, PLANT AND EQUIPMENT *cont'd*

(a) Assets pledged as security

Leasehold land and buildings with a carrying amount of RM15,290,016 (2024: RM13,251,346) have been pledged as security to secure loans and borrowings of the Group as disclosed in Note 15.

Leased assets are pledged as security for the related lease liabilities as disclosed in Note 15(b).

Motor vehicles and plant and machinery with carrying amount of RM13,927,343 (2024: RM2,751,317) have been pledged as security for hire purchase arrangements as disclosed in Note 15(c).

(b) Right-of-use assets

The Group leases several assets including office space and long-term leasehold land.

Information about the leases for which the Group is a lessee are presented below:

Group	Office space RM	Long term leasehold land RM	Total RM
Carrying amount			
At 1 January 2024	26,690	1,840,731	1,867,421
Depreciation charge for the financial year	(19,963)	(20,904)	(40,867)
At 31 December 2024	6,727	1,819,827	1,826,554
Additions	62,226	-	62,226
Depreciation charge for the financial year	(20,555)	(14,177)	(34,732)
At 31 December 2025	48,398	1,805,650	1,854,048

The Group leases land and buildings for its office space and operation site. The leases for office space have lease term of two (2) years with an option to renew for a further term of one (1) year.

The leases for leasehold land has a lease term of 99 years.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

6. INVESTMENT PROPERTY

Group	Note	Building RM
Cost		
At 1 January 2024		2,033,721
Disposal		(696,471)
Reclassified to asset held for sale	12	(670,589)
At 31 December 2024/31 December 2025		666,661
Accumulated depreciation		
At 1 January 2024		62,897
Depreciation charge for the financial year	22	40,675
Disposal		(27,859)
Reclassified to asset held for sale		(26,824)
At 31 December 2024		48,889
Depreciation charge for the financial year	22	13,333
At 31 December 2025		62,222
Carrying amount		
At 31 December 2024		617,772
At 31 December 2025		604,439

The Group's investment property with a carrying amount of RM604,439 (2024: RM Nil) has been pledged as security to secure loans and borrowings of the Group as disclosed in Note 15.

The following are recognised in profit or loss in respect of investment property:

	Group	
	2025 RM	2024 RM
Direct operating expenses:		
- Non-income generating investment property	4,846	15,711

Fair value information

The fair value of the building of approximately RM680,000 (2024: RM645,000) is categorised at Level 3 of the fair value hierarchy.

There are no Level 1 and Level 2 investment property or transfers between Level 1, Level 2 and Level 3 during the financial year ended 31 December 2025 and 31 December 2024.

Level 3 fair value

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.

NOTES TO THE FINANCIAL STATEMENTS

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6. INVESTMENT PROPERTY *cont'd*

Level 3 fair value *cont'd*

Description	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Building	Sales comparison approach	Prices per square foot	The higher the price per square foot, the higher the fair value

Valuation processes applied by the Group

The Group's finance department includes a team that performs valuation analysis of building required for financial reporting purposes, including Level 3 fair values. This team reports directly to the director.

Highest and best use

In estimating the fair value of the property, the highest and best use of the property is their current use.

7. INVESTMENT IN SUBSIDIARIES

	Company	
	2025	2024
	RM	RM
At cost:		
Unquoted shares	38,436,003	38,435,997

Details of the subsidiaries are as follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest		Principal activities
		2025	2024	
		%	%	
MTS Fibromat (M) Sdn. Bhd.	Malaysia	100	100	Provision of geotechnical solutions, including design, manufacturing and installation for erosion control, ground improvement, as well as sediment control, filtration and containment lining, and the trading of geosynthetics and erosion control products.
Fibromat Geo Edaran Sdn. Bhd. *	Malaysia	100	-	To engage in the business of product sales and distribution.
Fibromat Geo Kukuh Sdn. Bhd. *	Malaysia	100	-	To engage in the business of project installation and contracting works.
Fibromat Borneo Sdn. Bhd. *	Malaysia	100	-	To engage in the business of local tendering, logistics and regional growth in Sabah and Sarawak.

* Fibromat Geo Edaran Sdn. Bhd., Fibromat Geo Kukuh Sdn. Bhd. and Fibromat Borneo Sdn. Bhd. were incorporated on 11 December 2025, remained dormant and had not commenced business operations as at 31 December 2025. These subsidiaries were not audited as at 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

7. INVESTMENT IN SUBSIDIARIES *cont'd*

(a) Investment in Fibromat Geo Edaran Sdn. Bhd.

On 11 December 2025, the Company subscribed 2 ordinary shares at an issue price of RM1 each for a total purchase consideration of RM2 in Fibromat Geo Edaran Sdn. Bhd., representing 100% of the equity interest.

(b) Investment in Fibromat Geo Kukuh Sdn. Bhd.

On 11 December 2025, the Company subscribed 2 ordinary shares at an issue price of RM1 each for a total purchase consideration of RM2 in Fibromat Geo Kukuh Sdn. Bhd., representing 100% of the equity interest.

(c) Investment in Fibromat Borneo Sdn. Bhd.

On 11 December 2025, the Company subscribed 2 ordinary shares at an issue price of RM1 each for a total purchase consideration of RM2 in Fibromat Borneo Sdn. Bhd., representing 100% of the equity interest.

8. INVENTORIES

	Group	
	2025	2024
	RM	RM
Raw materials	5,513,525	6,103,815
Work-in-progress	147,806	117,434
Finished goods	17,048,916	11,485,661
	22,710,247	17,706,910

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM44,421,083 (2024: RM30,902,264).

NOTES TO THE FINANCIAL STATEMENTS

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9. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Trade					
Trade receivables	(a)	25,754,502	25,787,989	-	-
Retention sum		4,070,923	-	-	-
Less: Impairment loss for trade receivables	(a)	(692,552)	(1,048,521)	-	-
		29,132,873	24,739,468	-	-
Non-trade					
Other receivables		544,359	918,582	-	-
Deposits		311,726	245,039	-	-
Prepayments		4,059,947	1,709,052	-	350,707
Amount owing by a subsidiary	(b)	-	-	20,805,751	6,101,952
		4,916,032	2,872,673	20,805,751	6,452,659
Total trade and other receivables		34,048,905	27,612,141	20,805,751	6,452,659

(a) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Group ranging from 14 to 90 days (2024: 14 to 90 days) from the date of invoices. Other credit terms are assessed and approved on a case by case basis.

The retention sum which is receivable upon the expiry of defect liability period as provided in the contracts with customers, is expected to be collected as follows:

	Group	
	2025 RM	2024 RM
Within one year	1,208,421	-
Later than one year	2,862,502	-
Total	4,070,923	-

NOTES TO THE FINANCIAL STATEMENTS

cont'd

9. TRADE AND OTHER RECEIVABLES *cont'd*

(a) Trade receivables *cont'd*

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

		Group	
	Note	2025 RM	2024 RM
At 1 January		1,048,521	764,846
Charge for the financial year	22		
- Individually assessed		289,029	365,247
Reversal of impairment losses	20		
- Individually assessed		(33,460)	(81,572)
- Collectively assessed		(611,538)	-
At 31 December		692,552	1,048,521

The information about the credit exposures are disclosed in Note 27(b)(i).

(b) Amount owing by a subsidiary

Amount owing by a subsidiary is unsecured, non-interest bearing, repayable on demand and is expected to be settled in cash.

10. CONTRACT ASSETS/(LIABILITIES)

		Group	
		2025 RM	2024 RM
Contract assets relating to erosion control service contracts		28,908,373	7,488,114
Total contract assets		28,908,373	7,488,114
Contract liabilities relating to erosion control service contracts		(1,387,520)	(287,380)
Total contract liabilities		(1,387,520)	(287,380)

(a) Contract assets

The contract assets represent the Group's rights to consideration for erosion control service contracts but yet to be billed. Contract assets are transferred to receivables when the right become unconditional.

(b) Contract liabilities

The contract liabilities represent progress billings and deposits received for erosion control service contracts for which performance obligations have not been satisfied.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

10. CONTRACT ASSETS/(LIABILITIES) *cont'd*

(c) Significant changes in contract balances

Group	2025		2024	
	Contract assets increase/(decrease) RM	Contract liabilities (increase)/decrease RM	Contract assets increase/(decrease) RM	Contract liabilities (increase)/decrease RM
Revenue recognised that was included in contract liability at the beginning of the financial year	-	287,380	-	518,428
Increase due to invoice issued to customers, but revenue not recognised	-	(1,387,520)	-	(287,380)
Increase due to revenue recognised for unbilled services transferred to customers	28,908,373	-	7,488,114	-
Transfer from contract assets recognised at the beginning of the period to receivables	(7,488,114)	-	(6,823,535)	-

(d) Revenue recognised in relation to contract balances

	Group	
	2025 RM	2024 RM
Revenue recognised that was included in contract liabilities at the beginning of the financial year	287,380	518,428

Revenue recognised that was included in the contract liabilities balance at the beginning of the year represented primarily revenue from the sale of erosion control service contracts when percentage of completion increases.

11. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	7,118,017	4,494,452	524,068	185,554
Short-term deposits	1,308,166	1,284,010	-	-
	8,426,183	5,778,462	524,068	185,554

NOTES TO THE FINANCIAL STATEMENTS

cont'd

11. CASH AND SHORT-TERM DEPOSITS *cont'd*

For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following:

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Short-term deposits		1,308,166	1,284,010	-	-
Less: Pledged deposits		(1,308,166)	(1,284,010)	-	-
		-	-	-	-
Cash and bank balances		7,118,017	4,494,452	524,068	185,554
Bank overdrafts	15	(751,218)	-	-	-
		6,366,799	4,494,452	524,068	185,554

Included in the deposits placed with licensed bank of the Group, RM1,308,166 (2024: RM RM1,284,010) is pledged for banking facilities granted to the Group as disclosed in Note 15.

12. ASSET CLASSIFIED AS HELD FOR SALE

On 2 September 2024, the Board of Directors approved to dispose an investment property, A-10-03, Block A, Pangsapuri Damai Vista, Jalan Damai Perdana, 1/1, 56000 Kuala Lumpur, Selangor Darul Ehsan. The transaction was completed on 14 February 2025.

Asset classified as held for sale

	Group 2024 RM
Investment property	643,765

13. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2025 Unit	2024 Unit	2025 RM	2024 RM
Issued and fully paid up (no par value):				
At 1 January	216,000,000	216,000,000	44,700,000	44,700,000
Issued during the financial year	32,276,000	-	17,751,800	-
Share issuance expenses	-	-	(790,722)	-
At 31 December	248,276,000	216,000,000	61,661,078	44,700,000

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 regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

13. SHARE CAPITAL *cont'd*

On 6 May 2025, the Company issued 32,276,000 new ordinary shares at Initial Public Offering (“IPO”) price at RM0.55 per ordinary share.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

14. MERGER RESERVE

The merger reserve resulted from the difference between the carrying value of the investment in subsidiary and the nominal value of the shares of the Company’s subsidiary upon consolidation.

15. LOANS AND BORROWINGS

		Group	
	Note	2025 RM	2024 RM
Non-current:			
Term loans	(a)	5,899,116	4,607,898
Lease liabilities	(b)	28,745	-
Hire purchase payable	(c)	9,510,239	1,280,467
Term financing	(d)	9,501,000	-
		24,939,100	5,888,365
Current:			
Term loans	(a)	4,855,205	1,969,493
Lease liabilities	(b)	20,403	6,963
Hire purchase payable	(c)	2,692,159	743,675
Bankers’ acceptance	(e)	3,082,000	2,951,000
Bank overdraft	(f)	751,218	-
		11,400,985	5,671,131
Total loans and borrowings:			
Term loans	(a)	10,754,321	6,577,391
Lease liabilities	(b)	49,148	6,963
Hire purchase payable	(c)	12,202,398	2,024,142
Term financing	(d)	9,501,000	-
Bankers’ acceptance	(e)	3,082,000	2,951,000
Bank overdraft	(f)	751,218	-
		36,340,085	11,559,496

NOTES TO THE FINANCIAL STATEMENTS

cont'd

15. LOANS AND BORROWINGS *cont'd*

(a) Term loans

The term loans of the Group bear interest ranging from 3.05% to 7.45% (2024: 3.05% to 7.45%) per annum and are secured and supported as follows:

- (i) Legal charge over the leasehold land and buildings and investment property of the Group as disclosed in Notes 5 and 6;
- (ii) Deposit with licensed banks as disclosed in Note 11; and
- (iii) Corporate guarantee provided by the Company.

(b) Lease liabilities

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group	
	2025 RM	2024 RM
Minimum lease payments:		
Not later than one year	22,200	7,000
Later than one year and not later than five years	29,600	-
	51,800	7,000
Less: Future finance charges	(2,652)	(37)
Present value of minimum lease payments	49,148	6,963
Present value of minimum lease payments:		
Not later than one year	20,403	6,963
Later than one year and not later than five years	28,745	-
	49,148	6,963
Less: Amount due within twelve months	(20,403)	(6,963)
Amount due after twelve months	28,745	-

(c) Hire purchase payables

Hire purchase payables of RM12,202,398 (2024: RM2,024,142) bear effective interest ranging from 4.09% to 7.27% (2024: 3.71% to 7.27%) per annum and are secured by the Group's motor vehicles and plant and machinery under hire purchase arrangements as disclosed in Note 5(a).

	Group	
	2025 RM	2024 RM
Minimum lease payments:		
Not later than one year	3,298,985	837,482
Later than one year and not later than five years	10,484,554	1,386,620
	13,783,539	2,224,102
Less: Future finance charges	(1,581,141)	(199,960)
Present value of minimum lease payments	12,202,398	2,024,142

NOTES TO THE FINANCIAL STATEMENTS

cont'd

15. LOANS AND BORROWINGS *cont'd*

(c) Hire purchase payables *cont'd*

	Group	
	2025	2024
	RM	RM
Present value of minimum lease payments:		
Not later than one year	2,692,159	743,675
Later than one year and not later than five years	9,510,239	1,280,467
	12,202,398	2,024,142
Less: Amount due within twelve months	(2,692,159)	(743,675)
Amount due after twelve months	9,510,239	1,280,467

(d) Term financing

Term financing of the Group is Shariah-compliant Murabahah via Tawarruq financing with an Effective Profit Rate determined prior to issuance, subject to Ceiling Profit Rate of up to 18.00% per annum and are secured and supported by corporate guarantee provided by the Company.

(e) Bankers' acceptance

The bankers' acceptance of the Group bear interest ranging from 3.15% to 5.55% (2024: 3.47% to 5.56%) per annum and are secured and supported as follows:

- (i) Guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad ("SJPP");
- (ii) Legal charge over the leasehold land and buildings and investment property of the Group as disclosed in Notes 5 and 6;
- (iii) Deposit with licensed banks as disclosed in Note 11; and
- (iv) Corporate guarantee provided by the Company.

(f) Bank overdraft

Bank overdraft of the Group of RM751,218 (2024: RM Nil) are secured and supported as follows:

- (i) Legal charge over the leasehold land and buildings and investment property of the Group as disclosed in Notes 5 and 6;
- (ii) Deposit with licensed banks as disclosed in Note 11; and
- (iii) Corporate guarantee provided by the Company.

NOTES TO THE FINANCIAL STATEMENTS

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16. DEFERRED TAX LIABILITIES

Group	As at 1 January 2024 RM	Recognised in profit or loss (Note 24) RM	As at 1 January 2025 RM	Recognised in profit or loss (Note 24) RM	As at 31 December 2025 RM
Deferred tax liabilities:					
Property, plant and equipment	(1,336,519)	365,066	(971,453)	(1,281,850)	(2,253,303)
Unrealised foreign exchange	31,154	(47,889)	(16,735)	14,776	(1,959)
	(1,305,365)	317,177	(988,188)	(1,267,074)	(2,255,262)
Deferred tax assets:					
Expected credit losses on trade receivables	183,563	68,082	251,645	(85,433)	166,212
Lease liabilities	107	(77)	30	150	180
Contract liabilities	124,423	(55,452)	68,971	264,034	333,005
	308,093	12,553	320,646	178,751	499,397
	(997,272)	329,730	(667,542)	(1,088,323)	(1,755,865)

	Group	
	2025 RM	2024 RM
Presented after appropriate offsetting as follows:		
Deferred tax assets	499,397	320,646
Deferred tax liabilities	(2,255,262)	(988,188)
	(1,755,865)	(667,542)

17. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Trade					
Trade payables	(a)				
- Third parties		13,082,216	11,028,078	-	-
Retention sum		1,202,323	-	-	-
		14,284,539	11,028,078	-	-
Non-trade					
Other payables		325,162	477,072	34,700	32,000
Deposit payable		6,618	35,626	-	-
Accruals		1,232,906	730,495	271,750	141,666
Sales and service tax ("SST") payable		173,471	180,227	-	-
Amount owing to subsidiaries	(b)	-	-	6	-
		1,738,157	1,423,420	306,456	173,666
Total trade and other payables		16,022,696	12,451,498	306,456	173,666

NOTES TO THE FINANCIAL STATEMENTS

cont'd

17. TRADE AND OTHER PAYABLES *cont'd*

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit term granted to the Group ranges from 30 to 120 days (2024: 30 to 120 days). The retention sum is payable upon the expiry of defect liability period is expected to be settled as follows:

	Group	
	2025 RM	2024 RM
Within one year	1,195,950	-
Later than one year	6,373	-
Total	1,202,323	-

For explanations on the Group's and the Company's liquidity risk management processes, refer to Note 27(b)(ii).

(b) Amount owing to subsidiaries

Amount owing to subsidiaries is unsecured, non-interest bearing, repayable on demand and is expected to be settled in cash.

18. REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from contract customers:				
Sale of goods	51,870,973	38,707,876	-	-
Services rendered	61,607,389	36,754,652	-	-
	113,478,362	75,462,528	-	-
Revenue from other source:				
Dividend income	-	-	-	3,660,000
	113,478,362	75,462,528	-	3,660,000

NOTES TO THE FINANCIAL STATEMENTS

cont'd

18. REVENUE *cont'd*

(a) Disaggregation of revenue

The Group reports the following major segments: trading and manufacturing, design and installation services and commission in accordance with MFRS 8 *Operating Segments*. For the purpose of disclosure for disaggregation of revenue, it disaggregates revenue into timing of revenue recognition (i.e. goods transferred at a point in time or services transferred over time).

Group	Design and installation services RM	Trading RM	Manufacturing RM
2025			
Timing of revenue recognition:			
At a point in time	-	40,956,589	10,914,384
Over time	61,607,389	-	-
	61,607,389	40,956,589	10,914,384
2024			
Timing of revenue recognition:			
At a point in time	-	25,556,756	13,151,120
Over time	36,754,652	-	-
	36,754,652	25,556,756	13,151,120

(b) Transaction price allocated to the remaining performance obligations

Group	2026 RM	2025 RM
At 31 December 2025		
Revenue expected to be recognised on:		
- Services rendered	1,387,520	-
	1,387,520	-
At 31 December 2024		
Revenue expected to be recognised on:		
- Services rendered	-	287,380
	-	287,380

19. COST OF SALES

	Group	
	2025 RM	2024 RM
Cost of goods sold	44,421,083	30,780,264
Service costs	35,207,147	23,975,606
	79,628,230	54,755,870

NOTES TO THE FINANCIAL STATEMENTS

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20. OTHER INCOME

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Interest income		135,962	26,096	94,183	-
Net realised foreign exchange gain		-	241,818	-	-
Reversal of impairment loss on trade receivables	9	644,998	81,572	-	-
Gain on disposal of property, plant and equipment		-	13,000	-	-
Insurance claimed		6,934	134,011	-	-
Miscellaneous		3,370	98,480	-	-
		791,264	594,977	94,183	-

21. FINANCE COSTS

	Group	
	2025 RM	2024 RM
Interest expense on:		
- Term loans	393,887	560,498
- Bankers' acceptance	67,430	230,462
- Bank overdraft	26,766	100,846
- Lease liabilities	1,759	470
- Hire purchase payables	277,687	125,454
- Bank charges	528,491	40,249
- Term financing	218,198	-
- Letter of credit	221,470	-
	1,735,688	1,057,979

NOTES TO THE FINANCIAL STATEMENTS

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22. PROFIT/(LOSS) BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged in arriving at profit/(loss) before tax:

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Auditors' remuneration - statutory audit:					
- Baker Tilly Monteiro Heng PLT		170,000	150,000	30,000	20,000
Other services					
- Baker Tilly Monteiro Heng PLT		15,000	377,000	15,000	-
Bad debt written off		9,484	-	-	-
Depreciation of property, plant and equipment	5	3,091,199	1,813,610	-	-
Depreciation of an investment property	6	13,333	40,675	-	-
Loss on disposal of property, plant and equipment		14,775	-	-	-
Loss on disposal of an investment property		-	168,612	-	-
Loss on disposal of an asset held for sale		93,765	-	-	-
Impairment loss on financial assets: 9					
- Impairment loss on trade receivables		289,029	365,247	-	-
Expenses relating to short-term lease:					
- Buildings		103,250	101,200	-	-
Net realised foreign exchange loss		264,308	-	-	-
Net unrealised foreign exchange loss		8,164	17,160	-	-
Employee benefits expenses	23	9,638,403	5,146,494	236,750	121,666

23. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fees, salaries, wages, bonuses and allowances	8,027,116	3,669,067	236,750	121,666
Defined contribution plans	772,259	447,509	-	-
Other staff related benefits	839,028	1,029,918	-	-
	9,638,403	5,146,494	236,750	121,666

Included in employee benefits expenses are:

Directors of the Company

- Directors fee	236,750	121,666	236,750	121,666
- Salaries, bonuses and allowances	551,334	559,000	-	-
- Defined contribution plans	80,249	81,050	-	-
- Other related benefits	3,294	3,215	-	-
	871,627	764,931	236,750	121,666

The estimated value of benefits-in-kind provided to the directors of the Group for the financial year amounted to RM28,688 (2024: RM Nil).

NOTES TO THE FINANCIAL STATEMENTS

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24. INCOME TAX EXPENSE

The major components of income tax expense for the financial years ended 31 December 2025 and 31 December 2024 are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Statements of comprehensive income				
Current income tax:				
- Current income tax charge	5,169,372	3,941,160	22,604	-
- Adjustment in respect of prior years	(31,391)	(154,148)	-	-
	5,137,981	3,787,012	22,604	-
Deferred tax (Note 16):				
- Origination of temporary differences	1,211,972	(89,061)	-	-
- Adjustment in respect of prior years	(123,649)	(240,669)	-	-
	1,088,323	(329,730)	-	-
Income tax expense recognised in profit or loss	6,226,304	3,457,282	22,604	-

Domestic income tax is calculated at the Malaysian statutory rate of 24% (2024: 24%) of the estimated assessable profit for the financial year.

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit/(loss) before tax	22,614,371	13,430,825	(2,402,256)	2,239,032
Tax at Malaysian statutory income tax rate of 24%	5,427,449	3,223,398	(576,541)	537,368
Adjustments:				
Income not subject to tax	(32,666)	(7,494)	-	(878,400)
Non-deductible expenses	986,561	636,195	599,145	341,032
Adjustment in respect of current income tax of prior years	(31,391)	(154,148)	-	-
Adjustment in respect of deferred tax of prior years	(123,649)	(240,669)	-	-
Income tax expense	6,226,304	3,457,282	22,604	-

NOTES TO THE FINANCIAL STATEMENTS

cont'd

25. EARNINGS PER SHARE

(a) Basic earnings per ordinary share

Basic earnings per share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2025 RM	2024 RM
Profit attributable to owners of the Company	16,388,067	9,973,543
	2025 units	2024 units
Weighted average number of ordinary shares for basic earnings per share	237,222,575	216,000,000
	2025 sen	2024 sen
Basic earnings per share	6.91	4.62

(b) Diluted earnings per share

The diluted earnings per share of the Group for the financial year are equivalent to the basic earnings per ordinary share of the Group as the Company has no dilutive potential ordinary shares.

26. DIVIDENDS

	Company	
	2025 RM	2024 RM
Recognised during the financial year:		
Dividends on ordinary shares:		
- Single-tier interim dividend for the financial year ended 31 December 2024: RM0.33 per ordinary share, paid on 3 April 2024	-	2,160,000

NOTES TO THE FINANCIAL STATEMENTS

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27. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

(i) Amortised cost

	Carrying amount RM	Amortised cost RM
At 31 December 2025		
Financial assets		
Group		
Trade and other receivables, less prepayments	29,988,958	29,988,958
Cash and short-term deposits	8,426,183	8,426,183
	38,415,141	38,415,141
Company		
Other receivables	20,805,751	20,805,751
Cash and bank balances	524,068	524,068
	21,329,819	21,329,819
Financial liabilities		
Group		
Loans and borrowings, less lease liabilities	(36,290,937)	(36,290,937)
Trade and other payables, less SST payable	(15,849,225)	(15,849,225)
	(52,140,162)	(52,140,162)
Company		
Other payables	(306,456)	(306,456)
	(306,456)	(306,456)
At 31 December 2024		
Financial assets		
Group		
Trade and other receivables, less prepayments	25,903,089	25,903,089
Cash and short-term deposits	5,778,462	5,778,462
	31,681,551	31,681,551
Company		
Other receivables, less prepayments	6,101,952	6,101,952
Cash and bank balances	185,554	185,554
	6,287,506	6,287,506

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS *cont'd*

(a) Categories of financial instruments *cont'd*

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned: *cont'd*

(i) Amortised cost *cont'd*

	Carrying amount RM	Amortised cost RM
At 31 December 2024 <i>cont'd</i>		
Financial liabilities		
Group		
Loans and borrowings, less lease liabilities	(11,552,533)	(11,552,533)
Trade and other payables, less SST	(12,271,271)	(12,271,271)
	(23,823,804)	(23,823,804)
Company		
Other payables	(173,666)	(173,666)
	(173,666)	(173,666)

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for its shareholders. The Group and the Company do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on their obligations. The Group and the Company are exposed to credit risk from their operating activities (primarily trade receivables) and from their financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit worthiness of a customer is assessed based on a set of evaluation criteria and individual credit limits are defined in accordance with this assessment.

The Group and the Company consider a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than the credit term unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS *cont'd*

(b) Financial risk management *cont'd*

(i) Credit risk *cont'd*

At the end of the reporting period, the Group and the Company assess whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Those events evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, including a default event;
- a concession or restructuring of loans granted by the lender of the counterparty relating to the counterparty's financial difficulty; or
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group uses ageing analysis to monitor the credit quality of trade receivables. In managing credit risks of trade receivables, the Company also takes appropriate actions (including but not limited to legal actions) to recover long past due balances.

Credit risk concentration profile

The Group has no significant concentration of credit risk from its receivables.

The Group applies the simplified approach to providing for expected credit losses prescribed by MFRS 9 *Financial Instruments*, which permits the use of the lifetime expected losses provision for all trade receivables and contract assets. The Group uses a provision matrix to measure expected credit losses for trade receivables. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information. Forward-looking information considered includes consideration of various external sources of actual and forecast economic information that relate to the Group's core operations. The Group believes that changes in economic conditions over these periods would not materially impact the impairment calculation of the receivables.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS *cont'd*(b) Financial risk management *cont'd*(i) Credit risk *cont'd*Trade receivables and contract assets *cont'd*

The information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix are as follows:

Group	Contract assets RM	Retention sum RM	Trade receivables										Total RM						
			Current		1 to 30 days due		31 to 60 days due		61 to 90 days due		91 to 120 days due			121 to 150 days due		> 150 days due			
			RM	RM	RM	RM	RM	RM	RM	RM	RM	RM		RM	RM	RM	RM	RM	
At 31 December 2025																			
Expected credit loss rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.8%	2.7%
Gross carrying amount at default	28,908,373	4,070,923	3,224,209	3,523,505	2,318,679	2,822,734	1,419,768	560,777	11,884,830	25,754,502									
Impairment losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(692,552)	(692,552)
At 31 December 2024																			
Expected credit loss rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11.3%	4.1%
Gross carrying amount at default	7,488,114	-	4,618,855	5,375,774	3,758,085	1,758,017	527,248	446,239	9,303,771	25,787,989									
Impairment losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,048,521)	(1,048,521)

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS *cont'd*

(b) Financial risk management *cont'd*

(i) Credit risk *cont'd*

Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial asset is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated, where applicable:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparty;
- significant increases in credit risk on other financial instruments of the same counterparty;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- significant changes in the expected performance and behaviour of the counterparty, including changes in the payment status of counterparties in the group and changes in the operating results of the counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than the credit term in making a contractual payment.

Some intercompany balances between entities within the Group comprise loans or advances which are repayable on demand. The Company regularly monitors the financial performance and position of these entities on an individual basis. When these entities' financial performance and position deteriorates significantly, the Company assumes that there is significant increase in credit risk, and thereby a lifetime expected credit loss assessment is necessary. As the Company is able to determine the timing of repayment of the loans or advances, the Company will consider the loans or advances to be in default when these entities are unable to pay based on the expected manner of recovery and recovery period. The Company determines the probability of default for these loans or advances using internally available information. The Company considers the loans or advances to be credit-impaired when the entities are unlikely to repay their debts.

As at the end of the reporting date, the Group and the Company consider the other receivables and other financial assets as low credit risk and any loss allowance would be negligible.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS *cont'd*

(b) Financial risk management *cont'd*

(i) Credit risk *cont'd*

Financial guarantee contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to a subsidiary. The Company monitors the results of the subsidiary and its repayment on an on-going basis. The maximum exposure to credit risks amounts to RM33,079,805 (2024: RM6,577,391) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 27(b)(ii). As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to subsidiary's secured borrowings.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arises principally from trade and other payables, loans and borrowings.

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's and the Company's finance department 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.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS *cont'd***(b) Financial risk management** *cont'd***(ii) Liquidity risk** *cont'd*Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date is based on contractual undiscounted repayment obligations are as follows:

Group	Carrying amount RM	Contractual cash flows			Total RM
		On demand or within one year RM	Between one and five years RM	More than five years RM	
At 31 December 2025					
Trade and other payables, less SST payable	15,849,225	15,849,225	-	-	15,849,225
Term loans	10,754,321	5,324,512	3,526,915	3,753,888	12,605,315
Lease liabilities	49,148	22,200	29,600	-	51,800
Hire purchase payables	12,202,398	3,298,985	10,484,554	-	13,783,539
Bankers' acceptance	3,082,000	3,082,000	-	-	3,082,000
Term financing	9,501,000	-	9,501,000	-	9,501,000
Bank overdraft	751,218	751,218	-	-	751,218
	52,189,310	28,328,140	23,542,069	3,753,888	55,624,097
At 31 December 2024					
Trade and other payables, less SST payable	12,271,271	12,271,271	-	-	12,271,271
Term loans	6,577,391	2,311,800	3,626,173	1,712,873	7,650,846
Lease liabilities	6,963	7,000	-	-	7,000
Hire purchase payables	2,024,142	837,482	1,386,620	-	2,224,102
Bankers' acceptance	2,951,000	2,951,000	-	-	2,951,000
	23,830,767	18,378,553	5,012,793	1,712,873	25,104,219

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS *cont'd*

(b) Financial risk management *cont'd*

(ii) Liquidity risk *cont'd*

Maturity analysis *cont'd*

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date is based on contractual undiscounted repayment obligations are as follows: *cont'd*

Company	Carrying amount RM	Contractual cash flows			Total RM
		On demand or within one year RM	Between one and five years RM	More than five years RM	
At 31 December 2025					
Other payables	306,456	306,456	-	-	306,456
Financial guarantee contracts	-	33,079,805	-	-	33,079,805
	306,456	33,386,261	-	-	33,386,261
At 31 December 2024					
Other payables	173,666	173,666	-	-	173,666
Financial guarantee contracts	-	6,577,391	-	-	6,577,391
	173,666	6,751,057	-	-	6,751,057

(iii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when sales, purchases and bank balances that are denominated in a foreign currency).

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS *cont'd*

(b) Financial risk management *cont'd*

(iii) Foreign currency risk *cont'd*

The Group's unhedged financial assets and liabilities that are not denominated in their functional currencies are as follows:

	Group	
	2025	2024
	RM	RM
Financial assets and liabilities not held in functional currencies:		
Trade receivables		
United States Dollar ("USD")	376	376
Singapore Dollar ("SGD")	113,238	131,828
	113,614	132,204
Other receivables		
USD	-	11,421
Chinese Renminbi ("CNY")	76,493	24,331
	76,493	35,752
Cash and short-term deposits		
USD	54,595	48,873
SGD	237,672	149,217
Euro Dollar ("EUR")	116	894
	292,383	198,984
Trade payables		
USD	1,327,134	1,176,174
CNY	395,836	1,472,461
	1,722,970	2,648,635
Other payables		
USD	38,909	-

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS *cont'd*

(b) Financial risk management *cont'd*

(iii) Foreign currency risk *cont'd*

Sensitivity analysis for foreign currency risk

The Group's principal foreign currency exposure relates mainly to USD, SGD, EUR and CNY.

The following table demonstrates the sensitivity to a reasonably possible change in the USD, SGD, EUR, and CNY with all other variables held constant on the Group's total equity and profit for the financial year.

Group	Change in rate %	Effect on net profit for the financial year/ equity RM
At 31 December 2025		
USD	+3	(29,892)
	-3	29,892
SGD	+3	8,001
	-3	(8,001)
EUR	+3	3
	-3	(3)
CNY	+3	(7,281)
	-3	7,281
At 31 December 2024		
USD	+3	(25,433)
	-3	25,433
SGD	+3	6,408
	-3	(6,408)
EUR	+3	20
	-3	(20)
CNY	+3	(33,017)
	-3	33,017

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS *cont'd*

(b) Financial risk management *cont'd*

(iv) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their long-term loans and borrowings with floating interest rates.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and profit for the financial year.

Group	Carrying amount RM	Change in basis points %	Effect on net profit for the financial year/ equity RM
31 December 2025			
Term loans	10,754,321	50	(40,866)
		-50	40,866
Bankers' acceptance	3,082,000	50	(11,712)
		-50	11,712
Term financing	5,000,000	50	(19,000)
		-50	19,000
31 December 2024			
Term loans	6,577,391	50	(24,994)
		-50	24,994
Bankers' acceptance	2,951,000	50	(11,214)
		-50	11,214

NOTES TO THE FINANCIAL STATEMENTS

cont'd

27. FINANCIAL INSTRUMENTS *cont'd*

(c) Fair value measurement

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings are reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

There have been no transfers between Level 1, Level 2 and Level 3 during the financial year (2024: no transfer in either direction).

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

Group	Carrying amount RM	Fair value of financial instruments not carried at fair value			Total RM
		Fair value Level 1 RM	Level 2 RM	Level 3 RM	
At 31 December 2025					
Financial liability					
Term loans	5,899,116	-	-	5,099,102	5,099,102
At 31 December 2024					
Financial liability					
Term loans	4,607,898	-	-	4,215,296	4,215,296

Level 3 fair value

Fair value of financial instruments not carried at fair value

The fair value of term loans is determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as at the end of the reporting period.

28. COMMITMENTS

The Group has made commitments for the following capital expenditures:

	Group	
	2025 RM	2024 RM
Property, plant and equipment	4,370,000	-

NOTES TO THE FINANCIAL STATEMENTS

cont'd

29. RELATED PARTIES

(a) Identity of related parties

Parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group and the Company include:

- (i) Subsidiaries; and
- (ii) Key management personnel of the Group, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Dividend paid				
Shareholders	-	2,160,000	-	3,660,000
Dividend income				
Subsidiary	-	-	-	3,660,000

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Note 9.

The Company provides secured corporate guarantees to banks in respect of banking facilities granted to the subsidiary as disclosed in Note 15.

(c) Compensation of key management personnel

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fee, salaries, bonuses and allowances	1,359,687	1,057,976	236,750	121,666
Defined contribution plans	160,948	130,804	-	-
Other staff related benefits	8,516	6,866	-	-
	1,529,151	1,195,646	236,750	121,666

The estimated value of benefits-in-kind provided to the key management personnel of the Group for the financial year amounted to RM52,688.

NOTES TO THE FINANCIAL STATEMENTS

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30. CAPITAL MANAGEMENT

For the purpose of the Group's and the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders. The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholder value. The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 31 December 2025 and 31 December 2024.

The Group and the Company monitor capital using net gearing ratio. The net gearing ratio is calculated as net debts divided by total equity of the Group and the Company. The net gearing ratio at 31 December 2025 and 31 December 2024 are as follows:

		Group	
		2025	2024
	Note	RM	RM
Loans and borrowings/total debts	15	36,340,085	11,559,496
Less: Cash and short-term deposits	11	(8,426,183)	(5,778,462)
Net debts		27,913,902	5,781,034
Total equity		88,021,889	54,672,744
Net gearing ratio (times)		0.32	0.11

There were no bank borrowings for the Company for the financial years ended 31 December 2025 and 31 December 2024. Accordingly, calculation of net gearing ratio is not meaningful to the Company.

There were no changes in the Group's and the Company's approach to capital management during the financial years under review.

A subsidiary of the Group is required to maintain a gearing ratio of no more than 2 times to comply with a bank covenant. The gearing ratio is calculated as the total loans and borrowings divided by tangible net worth. The tangible net worth comprises of paid-up capital and retained earnings. The gearing ratio at 31 December 2025 and 31 December 2024 are as follows:

		Group	
		2025	2024
	Note	RM	RM
Loans and borrowings	15	36,340,085	11,559,496
Tangible net worth		88,021,889	54,672,744
Gearing ratio (times)		0.41	0.21

The subsidiary has not breached the covenant.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

31. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Listing on ACE Market on Bursa Malaysia Securities Berhad

On 11 April 2025, the Company issued its Prospectus and undertook an IPO, comprising the public issue of 32,276,000 new ordinary shares at the IPO of RM0.55 per ordinary share allotted in the following manner:

- (i) 12,414,000 new ordinary shares available for application by Malaysian Public;
- (ii) 6,207,000 new ordinary shares available for application by the eligible directors and employees of the Group; and
- (iii) 13,655,000 new ordinary shares by way of private placement to the Bumiputera investors approved by the Ministry of Investment, Trade and Industry.

On 8 May 2025, the Company was listed on the ACE Market of Bursa Malaysia Securities Berhad comprising public issue of 32,276,000 new ordinary shares.

32. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the Group's Chief Executive Officer ("CEO") for the purpose of making decisions about resource allocation and performance assessment.

The three reportable operating segments are as follows:

Segments	Products and services
Design and installation services	Includes design and build services, which are engineered to suit a board spectrum of erosion control and protection application.
Trading	Includes trading and distribution of Erosion Control and Geosynthetic products.
Manufacturing	Includes manufacturing and sales of Erosion Control and Geosynthetic products.

Other non-reportable segments involved in business of investment holding which are below the quantitative thresholds for determining reportable segments.

Factors used to identify reportable segments

The trading and manufacturing business was developed internally. The trading operating segment and the manufacturing segment are separated into the reportable trading and manufacturing business segment. The performance of the two separate operations is evaluated internally as a separate business unit.

The construction operating segment is aggregated into the reportable construction segment due to similar construction technology and long-term profit margins. This operating segment is evaluated internally as a single business unit.

NOTES TO THE FINANCIAL STATEMENTS

cont'd

32. SEGMENT INFORMATION *cont'd*

Segment profit

Segment performance is used to measure performance as Group's CEO believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets

Segment assets are not included in the internal reports that are reviewed by the Group's CEO, hence no disclosures are made on segment assets.

Segment liabilities

Segment liabilities are not included in the internal reports that are reviewed by the Group's CEO, hence no disclosures are made on segment liabilities.

2025	Design and installation services RM	Trading RM	Manufacturing RM	Total RM
Segment revenue:				
Revenue from external customers	61,607,389	40,956,589	10,914,384	113,478,362
Segment results	22,854,262	9,351,738	1,644,132	33,850,132
Interest income				135,962
Finance costs				(1,735,688)
Other expenses				(9,636,035)
Profit before tax				22,614,371
Income tax expense				(6,226,304)
Profit for the financial year				16,388,067
Other segment information				
Depreciation of property, plant and equipment				
- allocated	-	-	1,139,127	1,139,127
- unallocated				1,952,072
				3,091,199

NOTES TO THE FINANCIAL STATEMENTS

cont'd

32. SEGMENT INFORMATION *cont'd*

2024	Design and installation services RM	Trading RM	Manufacturing RM	Total RM
Segment revenue:				
Revenue from external customers	36,754,652	25,556,756	13,151,120	75,462,528
Segment results	10,638,209	5,929,742	4,138,707	20,706,658
Interest income				26,096
Finance costs				(1,057,979)
Other expenses				(6,243,950)
Profit before tax				13,430,825
Income tax expense				(3,457,282)
Profit for the financial year				9,973,543
Other segment information				
Depreciation of property, plant and equipment				
- allocated	309,689	-	1,059,389	1,369,078
- unallocated				444,532
				1,813,610

The Group operates predominantly in Malaysia and hence, no geographical segment is presented.

STATEMENT BY DIRECTORS

(Pursuant to Section 251(2) of the Companies Act 2016)

We, **NG KIAN BOON** and **NG CHUN YEW**, being two of the directors of FIBROMAT (M) BERHAD, do hereby state that in the opinion of the directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 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:

NG KIAN BOON
Director

NG CHUN YEW
Director

Kuala Lumpur

Date: 21 April 2026

STATUTORY DECLARATION

(Pursuant to Section 251(1) of the Companies Act 2016)

I, **NG KIAN BOON**, being the director primarily responsible for the financial management of FIBROMAT (M) 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.

NG KIAN BOON

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 21 April 2026.

Before me,

Hadinur Mohd Syarif
Commissioner for Oaths
W761

INDEPENDENT AUDITORS' REPORT

To the members of Fibromat (M) Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Fibromat (M) Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of 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 90 to 140.

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, International Financial Reporting 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 and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

Trade receivables and contract assets (Notes 4(a), 9 and 10 to the financial statements)

The Group has significant trade receivables and contract assets as at 31 December 2025 which include certain amounts which are long outstanding.

We focused on this area because the Group's expected credit losses assessment requires the exercise of significant judgement to be made by the directors, especially in determining the risk of default and expected credit loss rate, which are based on the Group's past history, existing market conditions as well as forward looking estimates at the end of the reporting period. These judgements and assumptions are inherently uncertain.

Our response:

Our audit procedures included, among others:

- understanding the design and implementation of controls associated with monitoring of outstanding receivables and contract assets and expected credit losses calculation;
- understanding the significant credit exposures which were significantly overdue or deemed to be in default through analysis of ageing reports and other collection or legal reports prepared by the Group;
- obtaining confirmation of balances from selected receivables;
- checking subsequent receipts, customer correspondence, and considering level of activity with the customer and the directors' explanation on recoverability with significantly past due balances; and;
- testing the mathematical computation of expected credit losses as at the end of the reporting period.

INDEPENDENT AUDITORS' REPORT

To the members of Fibromat (M) Berhad
(Incorporated in Malaysia)
cont'd

Key Audit Matters *cont'd*

Revenue recognition for construction contracts (Notes 4(b) and 18 to the financial statements)

The Group's accounting policy is to recognise the revenue from construction contracts over the period of contract by reference to the progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of performance obligation is to be determined by reference to proportion of construction costs incurred for works performed to date bear to the estimated total costs for each project (input method).

We focused on this area because the Group's revenue recognition for construction contracts requires the exercise of significant judgement to be made by the directors, particularly in determining the progress towards satisfaction of a performance obligation, the extent of the construction costs incurred, the estimated total construction contracts revenue and costs, as well as the recoverability of the construction contracts projects. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

Our response:

Our audit procedures on a sample of major projects included, among others:

- reading the terms and conditions of agreements with selected customers;
- understanding the Group's process in preparing project budget and the calculation of the progress towards anticipated satisfaction of a performance obligation;
- comparing the directors' key assumptions to contractual terms and discussing with project manager;
- checking the mathematical computation of recognised revenue for the projects during the financial year; and
- comparing the directors' assessment on the potential deduction to revenue arising from liquidated and ascertained damages against the contractual delivery dates and estimated delivery dates, progress reports.

Company

We have determined that there are no key audit matters to communicate in our report which arose from the audit of the financial statements of the Company.

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 Fibromat (M) Berhad
(Incorporated in Malaysia)
cont'd

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with the 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 and 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 and 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 that may cast significant doubt on the Group and the Company's ability to continue 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 disclosures 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 and 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.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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.

INDEPENDENT AUDITORS' REPORT

To the members of Fibromat (M) Berhad
(Incorporated in Malaysia)
cont'd

Auditors' Responsibilities for the Audit of the Financial Statements *cont'd*

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.

Other Matters

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 contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Paul Tan Hong
No. 03459/11/2027 J
Chartered Accountant

Kuala Lumpur

Date: 21 April 2026

LIST OF MATERIAL PROPERTIES OWNED BY THE GROUP

No	Address	Description of Properties/ Existing use	Date of purchase/ Date of CCC	Tenure/ Date of expiry of lease	Estimated age of building (years)	Approximate land area/ Approximate built-up area (sq ft)	Net Book value (RM'000) 31 December 2025
1	MTS Fibromat/ 2, Jalan Zurah 4, Kawasan Perindustrian Zurah, 44200 Rasa, Selangor/ HSD 53708, PT 604, Bandar Rasa, Daerah Ulu Selangor, Negeri Selangor	A 3-storey office building, a single storey factory annexed, a guard house, a pump house, an electrical substation and a refuse chamber/ Factory, warehouse and office (Rasa Factory)	22 May 2012/ 22 December 2017	Leasehold (99 Years)/ 29th December 2115 (89 remaining years)	9 Years	133,957/ 69,389	4,882
2	MTS Fibromat/ 4, Jalan Zurah 4, Kawasan Perindustrian Zurah, 44200 Rasa, Selangor/ HSD 53709, PT 605, Bandar Rasa, Daerah Ulu Selangor, Negeri Selangor	A 3-storey office, single storey warehouse and a refuse chamber/Factory, warehouse and office (Rasa Factory)	22 May 2012/ 22 December 2017	Leasehold (99 Years)/ 29th December 2115 (89 remaining years)	9 Years	108,113/ 68,496	4,820
3	MTS Fibromat/ 574, 574-A, 574-B and 574-C, Jalan Samudra Utara 1, Taman Samudra, 68100 Batu Caves, Selangor/ Pajakan Mukim 2991, Lot 55252, Batu 7 ½, Jalan Batu Caves, Bandar Selayang, Daerah Gombak, Negeri Selangor	4-storey shop office Headquarters	18 August 2017/ 22 January 1998 and 3 May 2021	Leasehold (99 Years)/ 20th August 2090 (64 remaining years)	28 Years	1,539/ 6,006	1,458
4	MTS Fibromat/ 575, 575-A, 575-B and 575-C, Jalan, Jalan Samudra Utara 1, Taman Samudra, 68100 Batu Caves, Selangor/ Pajakan Mukim 2991, Lot 55252, Batu 7 ½, Jalan Batu Caves, Bandar Selayang, Daerah Gombak, Negeri Selangor	4-storey shop office Headquarters	20 March 2025/ 11 January 2023	Leasehold (99 Years)/ 20th August 2090 (64 remaining years)	28 Years	1,540/ 6,160	2,324
5	Perbadanan Pengurusan Pangsapuri Tepian Bayu MTS Fibromat #01-04, Menara E, Pangsapuri Tepian Bayu, Jalan Sultanah Aminah, Taman Iskandar, 80050 Johor Bahru, Johor/ GRN 564662, Lot 207922 (formerly known as HS(D) 520197 PTD 216427), Mukim Plentong, Daerah Johor Bahru, Johor	1 unit of apartment / Investment property (vacant)	23 April 2021/ 17 December 2018	Freehold	8 Years	-/ 1,344	604

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2026

Total number of Issued Share	:	248,276,000
Class of Shares	:	Ordinary shares
No. of Shareholders	:	740
Voting Right	:	One vote per ordinary share on a poll

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Holders	No. of Shares	Percentage
Less than 100	3	100	0.00
100 – 1,000	334	132,100	0.05
1,001 – 10,000	212	1,010,500	0.41
10,001 – 100,000	124	4,683,800	1.89
100,001 and below 5% of issued shares	66	91,172,404	36.72
5% and above of issued shares	1	151,277,096	60.93
Total	740	248,276,000	100.00

SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Direct Interest		Indirect/Deemed Interest	
	No.	%	No.	%
1. Ng Kian Boon	153,776,298	61.94	-	-

DIRECTORS' SHAREHOLDINGS

Name of shareholders	Direct Interest		Indirect Interest	
	No.	%	No.	%
1. Dr. Fauziah Binti Ahmad	150,000	0.06	-	-
2. Ng Kian Boon	153,776,298	61.94	-	-
3. Mohd Tarmim Bin Sidek	2,000,002	0.81	-	-
4. Ng Chun Yew	442,100	0.18	-	-
5. Chao Kar Po	20,000	0.01	-	-
6. Loo Pak Soon	-	-	-	-
7. Ilham Binti Umar Thabii	-	-	-	-

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2026

cont'd

LIST OF THIRTY LARGEST SHAREHOLDERS

No.	Name	Shareholdings	%
1.	RHB Nominees (Tempatan) Sdn Bhd OSK Capital Sdn Bhd for Ng Kian Boon	151,277,096	60.93
2.	Liew Yee Heng	12,215,900	4.92
3.	Liew Yee Yee	12,061,700	4.86
4.	Liew Ee Ling	11,085,700	4.47
5.	Liew Ah Yong	11,048,900	4.45
6.	Sow Sian	6,205,100	2.50
7.	Cheong Mei Foong	5,843,000	2.35
8.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (PHEIM)	3,409,300	1.37
9.	Mohd Tarmim Bin Sidek	2,000,002	0.81
10.	Kang Chun Ee	2,000,000	0.81
11.	Pelaburan Mara Berhad	2,000,000	0.81
12.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Doh Jee Ming (PB)	1,733,700	0.70
13.	CIMB Group Nominees (Asing) Sdn. Bhd. Exempt An for DBS Bank Ltd (SFS)	1,350,300	0.54
14.	Ng Kian Boon	1,213,502	0.49
15.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Kian Boon	1,146,200	0.46
16.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Nadiah Firdaus Binti Mohd Firdaus	1,058,300	0.43
17.	Lim Koon Chee	1,017,000	0.41
18.	Tai Chun Wah	1,012,900	0.41
19.	Ong Wee Kiang	959,600	0.39
20.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Eng Hong Ling (E-Jah)	900,000	0.36
21.	Yong Ker Sin	877,300	0.35
22.	Value Ventures Capital Sdn Bhd	832,100	0.34
23.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Dana Makmur Pheim (211901)	750,000	0.30
24.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Gaik Eng (LIM4779C)	650,000	0.26
25.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Eng Beng Huat (E-SRB/PDN)	589,100	0.24
26.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Loh Kok Hoong (1391001)	549,000	0.22
27.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Siow Ker Yang	400,000	0.16
28.	Ng Chun Yew	400,000	0.16
29.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee See Kim	375,000	0.15
30.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Siow Chun Pau (E-SRB)	371,800	0.15

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting (“11th AGM”) of Fibromat (M) Berhad (“the Company”) at Ruang Acara Ujana Ilmu, Menara MATRADE, Jalan Sultan Haji Ahmad Shah, 50480 Kuala Lumpur, Malaysia on **Wednesday, 10 June 2026 at 10.00 a.m.** for the following purposes:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Directors’ and Auditors’ Reports.
[Please refer to Note (a)]
2. To approve the payment of Directors’ fees and benefits of RM236,750 for the financial year ended 31 December 2025. **(Resolution 1)**
[Please refer to Note (b)]
3. To approve the payment of Directors’ fees and benefits up to RM355,000 from 1 January 2026 until the conclusion of the next Annual General Meeting. **(Resolution 2)**
[Please refer to Note (c)]
4. To re-elect the following Directors retiring in accordance with Clause 89 of the Constitution of the Company and being eligible, have offered themselves for re-election:
 - i. Mr. Ng Kian Boon; and **(Resolution 3)**
 - ii. Mr. Mohd Tarmim Bin Sidek **(Resolution 4)***[Please refer to Note (d)]*
5. To re-elect Mr. Ng Chun Yew retiring in accordance with Clause 95 of the Constitution of the Company and being eligible, has offered himself for re-election. **(Resolution 5)**
[Please refer to Note (e)]
6. To re-appoint Baker Tilly Monteiro Heng PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **(Resolution 6)**
[Please refer to Note (f)]

SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without modifications, the following resolutions:

7. **Ordinary Resolution** **(Resolution 7)**
Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016

“THAT subject to the Companies Act, 2016, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Constitution of the Company and the approvals of the Securities Commission, Bursa Securities and other relevant governmental and/or regulatory authorities, if applicable, the Directors of the Company be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act, 2016 to issue shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever 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 ten per centum (10%) of the total issued share capital of the Company for the time being; AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company.

THAT the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities.

NOTICE OF ANNUAL GENERAL MEETING

cont'd

AND THAT pursuant to Section 85 of the Companies Act, 2016, read together with Clause 6 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 ranking equally to the existing issued shares of the Company arising from any issuance of new shares pursuant to Sections 75 & 76 of the Companies Act, 2016.”

[Refer to Explanatory Note (g)]

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

LEE CHIN WEN (F) (MAICSA 7061168) (SSM PC NO. 202008001901)
WONG YOUN KIM (F) (MAICSA 7018778) (SSM PC NO. 201908000410)
Company Secretaries

Selangor

30 April 2026

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint more than one (1) proxy to attend and vote in his stead. A proxy may but need not be a member of the Company.
2. Where a member appoints one (1) or more proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“Omnibus Account”) as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
5. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, must, to be valid, be deposited at the office of the Company’s Registrars, Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. Alternatively, the form of proxy may also be lodged electronically via <https://investor.boardroomlimited.com> or email to bsr.proxy@boardroomlimited.com not less than forty eight (48) hours, i.e. latest by Monday, 8th June 2026 at 10.00 a.m, before the time appointed for holding the Meeting, or any adjournment thereof.
6. Only a depositor whose name appears on the Record of Depositors as at 3 June 2026 shall be entitled to attend the said meeting and to appoint a proxy or proxies to attend, speak and/or vote on his/her behalf.
7. According to Clause 73 of the Constitution of the Company and pursuant to Paragraph 8.31A(1) of the ACE Market Listing Requirements of Bursa Securities, all resolutions set out in this Notice will be put to vote by way of poll.

NOTICE OF ANNUAL GENERAL MEETING

cont'd

Explanatory Notes to the Agenda:

a. Audited Financial Statements

This item is meant for discussion only. The provisions of Section 340(1)(a) of the Companies Act, 2016 require that the Audited Financial Statements and the Directors' Report and Auditors' Report thereon be laid before the Company at its Annual General Meeting ("AGM"). As such, this Agenda item is not a business which requires a resolution to be put to vote by shareholders.

b. Payment of Directors' Fees and Benefits

This resolution is to facilitate the payment of Directors' fees and benefits on a current financial year basis, calculated based on the current board size. In the event the Directors' fees and benefits proposed are insufficient (due to enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

c. Payment of Directors' Fees and Benefits

This resolution is to facilitate payment of Directors' fees and benefits for the period from 1 January 2026 until the conclusion of the next AGM of the Company. In the event the Directors' fees and benefits proposed are insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional fees and benefit to meet the shortfall.

Directors' benefits include meeting attendance allowances and other emoluments payable to Directors. In determining the estimated total, the Board had considered various factors including the number of scheduled meetings for the Board and Board Committees and covers the period from 1 January 2026 until the next AGM of the Company (the due date for which the next AGM should be held).

d. Re-election of Retiring Directors pursuant to Clause 89

The Board of Directors through its Nomination Committee ("NC") had assessed and supported the re-election of the retiring Directors, Mr. Ng Kian Boon and Mr. Mohd Tarmim bin Sidek. The NC had conducted the annual Board Effectiveness Assessment ("BEA"), in the areas of performance, contribution to interaction, quality of input, understanding of their roles and independence of Independent Directors. A fit and proper assessment was also conducted by the NC on the Directors who are standing for re-election under Clause 89 of the Constitution to ensure that they have the essential quality and integrity as well as the relevant character, experience, competence, time and commitment to discharge their roles as Directors.

Based on the results of the BEA, the Board of Directors concluded that the performance of the retiring Directors was satisfactory and that they met the Board's expectations in the discharge of their duties and responsibilities. They have relevant experience, skills, expertise and financial knowledge that are beneficial to the Company. They also devote adequate time in discharging their duties and responsibilities as Directors, work constructively with other Board members, attend meetings in a well-prepared manner and will continue to bring value and insights to the Board.

The retiring Directors, being eligible, have offered themselves for re-election at the 11th AGM. The profiles of Directors standing for re-election are set out on pages 6 and 7 of the Annual Report 2025. All Directors standing for re-election have abstained from deliberations and decisions on their own eligibility to stand for re-election at the 11th AGM of the Company.

e. Re-election of Retiring Directors pursuant to Clause 95

The Board of Directors through the NC had assessed and supported the re-election of the retiring Director, Mr. Ng Chun Yew. The NC had conducted the annual Board Effectiveness Assessment ("BEA"), in the areas of performance, contribution to interaction, quality of input, and understanding of his role. A fit and proper assessment was also conducted by the NC on the Director standing for re-election under Clause 95 of the Constitution to ensure that he has the essential quality and integrity as well as the relevant character, experience, competence, time and commitment to discharge his role as Director.

NOTICE OF ANNUAL GENERAL MEETING

cont'd

Based on the results of the BEA, the Board of Directors concluded that the performance of Mr. Ng Chun Yew was satisfactory and that he met the Board's expectations in the discharge of his duties and responsibilities. He has relevant experience, skills, expertise and financial knowledge that are beneficial to the Company. He also devotes adequate time in discharging his duties and responsibilities as a Director, works constructively with other Board members, attends meetings in a well-prepared manner and will continue to bring value and insights to the Board.

The retiring Director, being eligible, has offered himself for re-election at the 11th AGM. The profile of Mr. Ng Chun Yew standing for re-election is set out on page 8 of the Annual Report 2025. The Director standing for re-election has abstained from deliberations and decisions on his own eligibility to stand for re-election at the 11th AGM of the Company.

f. Re-appointment of Baker Tilly Monteiro Heng PLT

The Board had at its meeting held on 21 April 2026 approved the recommendation of the Audit and Risk Management Committee ("ARMC") to re-appoint Baker Tilly Monteiro Heng PLT as auditors of the Company. The Board and ARMC collectively agreed that Baker Tilly Monteiro Heng PLT has met the relevant criteria prescribed by Paragraph 15.21 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

g. Renewal of Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.

The proposed Resolution 7, if passed, will give the Directors of the Company, from the date of the above AGM, authority to issue and allot shares from the unissued capital of the Company for such purposes as the Directors may deem fit and in the interest of the Company. The authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

THAT pursuant to Section 85 of the Companies Act, 2016, read together with Clause 6 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 ranking equally to the existing issued shares of the Company arising from any issuance of new shares pursuant to Sections 75 & 76 of the Companies Act, 2016.

As at the date of this notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the 10TH AGM held on 14 April 2025 and which will lapse at the conclusion of the 11TH AGM.

The authority will provide flexibility to the Company for any possible fund-raising activities, including but not limited to the placement of shares, for the purpose of funding future investment project(s), working capital and/or acquisitions.

STATEMENT ACCOMPANYING NOTICE OF THE 11TH ANNUAL GENERAL MEETING

Pursuant to paragraph 8.30 of the ACE Market Listing Requirement of Bursa Malaysia Securities Berhad

1. Directors who are standing for re-election in accordance with Clause 89 of the Constitution of the Company at the 11th Annual General Meeting of the Company are: -
 - i. Mr. Ng Kian Boon; and (Resolution 3)
 - ii. Mr. Mohd Tarmim Bin Sidek (Resolution 4)

2. Director who is standing for re-election in accordance with Clause 95 of the Constitution of the Company at the 11th Annual General Meeting of the Company is: -
 - i. Mr. Ng Chun Yew (Resolution 5)

3. The details profile of the above Directors who are standing for re-election are set out in the Directors' Profile set out on pages 6 to 8 of the Annual Report 2025.

4. The details of the Directors' attendance for Board Meetings are disclosed in the Corporate Governance Overview Statement on page 65 of the Annual Report 2025.

5. The 11th Annual General Meeting of the Company will be held at Ruang Acara Ujana Ilmu, Menara MATRADE, Jalan Sultan Haji Ahmad Shah, 50480 Kuala Lumpur, Malaysia on Wednesday, 10 June 2026 at 10.00 a.m.

ADMINISTRATIVE NOTES FOR SHAREHOLDERS/ PROXIES ATTENDING THE ELEVENTH ANNUAL GENERAL MEETING (“11TH AGM”)

Date : Wednesday, 10 June 2026
Time : 10.00 a.m.
Venue : Ruang Acara Ujana Ilmu, Menara MATRADE, Jalan Sultan Haji Ahmad Shah, 50480 Kuala Lumpur, Malaysia

PARKING

- Shareholders are advised to park at the designated Visitor Parking Area at MATRADE. All parking fees are payable by the individual.
- The Company will NOT provide cash reimbursements for parking charges incurred by shareholders/proxies attending the AGM and who park their vehicles at the car parks of other buildings.

REGISTRATION

- Registration will commence at 9.00 a.m. at registration counter in Ruang Acara Ujana Ilmu and will end at a time as may be directed by the Chairman of the meeting. Shareholders/proxies attending the AGM are requested to be punctual for the AGM which commences at 10.00 a.m.
- Please present your original Identity Card (IC) to the registration staff for verification.
- No person will be allowed to register on behalf of another person even with the original IC of the other person.
- After registration, you will be given an identification wristband with barcode for purpose of voting at the AGM. You must wear the identification wristband throughout the AGM as no person will be allowed to enter the meeting hall without wearing the identification wristband. There will be no replacement in the event you lose or misplace the identification wristband.

LIGHT REFRESHMENT

Light refreshments will be available during the registration period, followed by lunch upon the conclusion of the AGM.

VOTING PROCEDURES

- Pursuant to Clause 73 of the Company’s Constitution, all resolutions as set out in the Notice will be put to vote by poll.
- The polling process will be managed by the Company’s Share Registrar, Boardroom Corporate Service Sdn Bhd (“Boardroom”) as Poll Administrator, and SKY Corporate Services Sdn Bhd as Scrutineers to verify and validate the poll results.
- The poll voting for each of the resolutions as set out in the Notice of 11th AGM will take place only upon the conclusion of the deliberation of all the businesses transacted at the AGM.
- Detailed instructions will be provided to the shareholders/proxies at the meeting before the start of the polling session.

NO RECORDING OR PHOTOGRAPY

By participating at the 11th AGM, you agree that no part of the 11th AGM proceedings may be recorded, photographed, stored in any retrieval system, reproduced transmitted or uploaded in any form, platform, or social media or by any means whether it is mechanical, electronic, photocopying, recording or otherwise without the prior written consent of the Company. The Company reserve the right to take appropriate legal actions against anyone who violates this rule.



FIBROMAT (M) BERHAD
Registration No.:201201037651 (1022133-V)

PROXY FORM

No. of shares held	CDS Account No.

I/We _____

of _____

shareholder's mobile no. _____ and email address _____
being member/members of **FIBROMAT (M) BERHAD** hereby appoint:

Full Name of Proxy 1 <i>(Full Name in Block Capitals)</i>	NRIC No.	No. of shares Represented
Address		
Email Address		
Mobile Phone No.		

And/or

Full Name of Proxy 2 <i>(Full Name in Block Capitals)</i>	NRIC No.	No. of shares Represented
Address		
Email Address		
Mobile Phone No.		

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Eleventh Annual General Meeting of the Company, to be held at Ruang Acara Ujana Ilmu Menara MATRADE, Jalan Sultan Haji Ahmad Shah, 50480 Kuala Lumpur, on Wednesday, 10 June 2026 at 10.00 a.m. and any adjournment thereof.

My/Our Proxy(ies) is/are to vote as indicated below:

No.	Resolutions	For	Against
1.	Ordinary Resolution 1 To approve the payment of Directors' fees and benefits of RM236,750 for the financial year ended 31 December 2025.		
2.	Ordinary Resolution 2 To approve the payment of Directors' fees and benefits up to RM355,000 from 1 January 2026 until the conclusion of the next Annual General Meeting.		
3.	Ordinary Resolution 3 To re-elect Mr. Ng Kian Boon retiring in accordance with Clause 89 of the Company's Constitution and being eligible, has offered himself for re-election.		
4.	Ordinary Resolution 4 To re-elect Mr. Mohd Tarmim Bin Sidek retiring in accordance with Clause 89 of the Company's Constitution and being eligible, has offered himself for re-election.		
5.	Ordinary Resolution 5 To re-elect Mr. Ng Chun Yew retiring in accordance with Clause 95 of the Constitution of the Company and being eligible, has offered himself for re-election.		
6.	Ordinary Resolution 6 To re-appoint Baker Tilly Monteiro Heng PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
Special Business			
7.	Ordinary Resolution 7 To authorise the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

(Please indicate with an "X" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy/proxies will vote or abstain at his/their discretion)

Signed this _____ day of _____ 2026

Signature/Common Seal of Shareholder(s)

Fold this flap for sealing

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint more than one (1) proxy to attend and vote in his stead. A proxy may but need not be a member of the Company.
2. Where a member appoints one (1) or more proxy, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
5. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, must, to be valid, be deposited at the office of the Company's Registrars, Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. Alternatively, the form of proxy may also be lodged electronically via <https://investor.boardroomlimited.com> email to bsr.proxy@boardroomlimited.com not less than forty eight (48) hours not less than forty eight (48) hours, i.e. latest by Monday, 8th June 2026 at 10.00 a.m, before the time appointed for holding the Meeting, or any adjournment thereof.
6. Only a depositor whose name appears on the Record of Depositors as at 3 June 2026 shall be entitled to attend the said meeting and to appoint a proxy or proxies to attend, speak and/or vote on his/her behalf.
7. According to Clause 73 of the Constitution of the Company and pursuant to Paragraph 8.31A(1) of the ACE Market Listing Requirements of Bursa Securities, all resolutions set out in this Notice will be put to vote by way of poll.

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Affix
Stamp

FIBROMAT (M) BERHAD

Registration No.:201201037651 (1022133-V)

c/o Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

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www.fibromatberhad.com.my

Fibromat (M) Berhad

201201037651 (1022133-V)

No. 574,
Jalan Samudra Utara 1,
Taman Samudra, 68100 Batu Caves,
Selangor Darul Ehsan, Malaysia.

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Fax : 03-6189 7559 / 03-6187 9775
Email : enquiry@fibromat.com.my