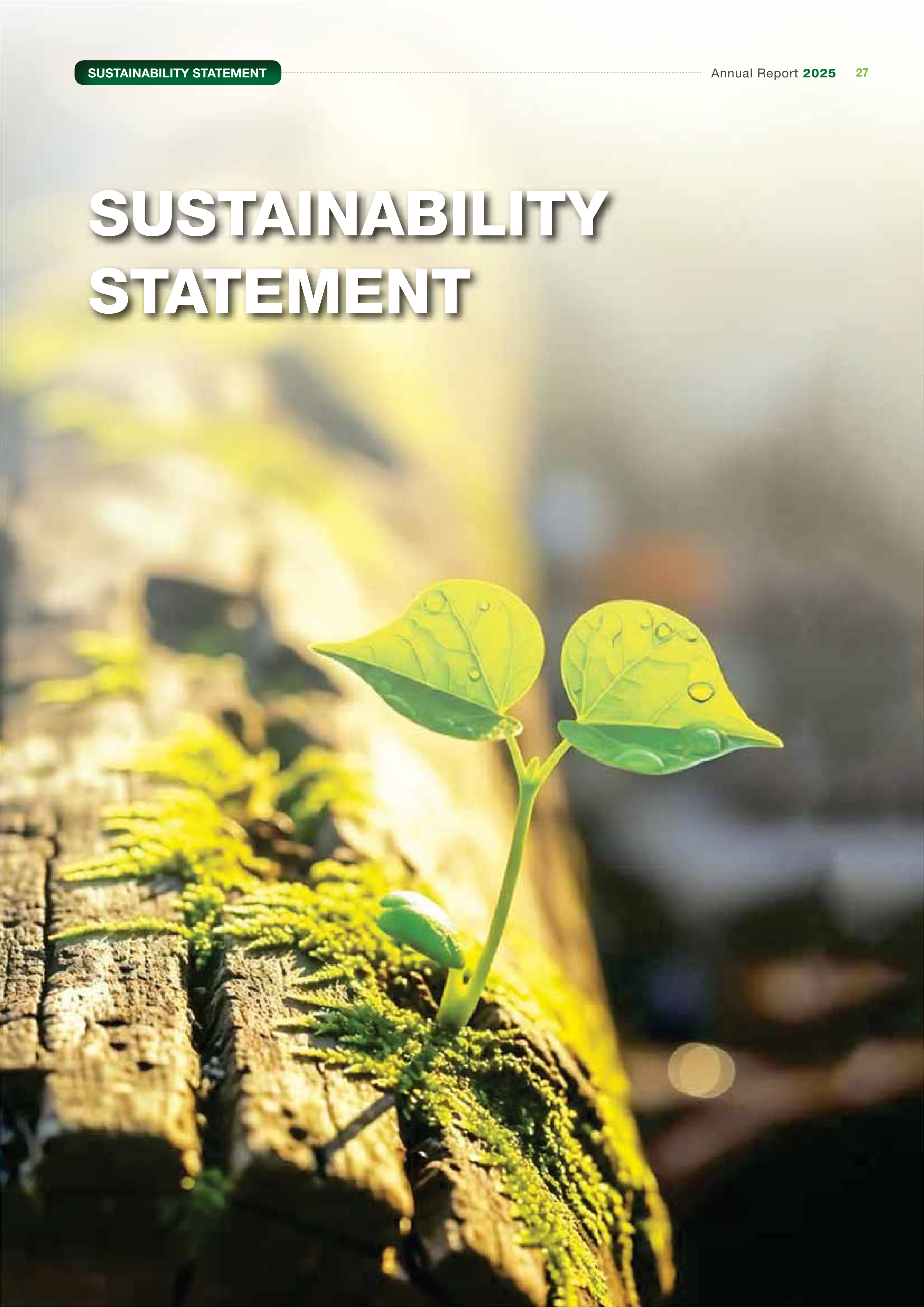
SUSTAINABILITY STATEMENT



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 Foundation[1])

Reporting Frameworks

- National Sustainability Reporting Framework ("NSRF")[2]
- IFRS Sustainability Disclosure Standards (S1 and S2) issued by the IFRS Foundation[1]
- International <Integrated Reporting> Framework and Integrated Thinking Principles (Part of IFRS Foundation[1])

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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
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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

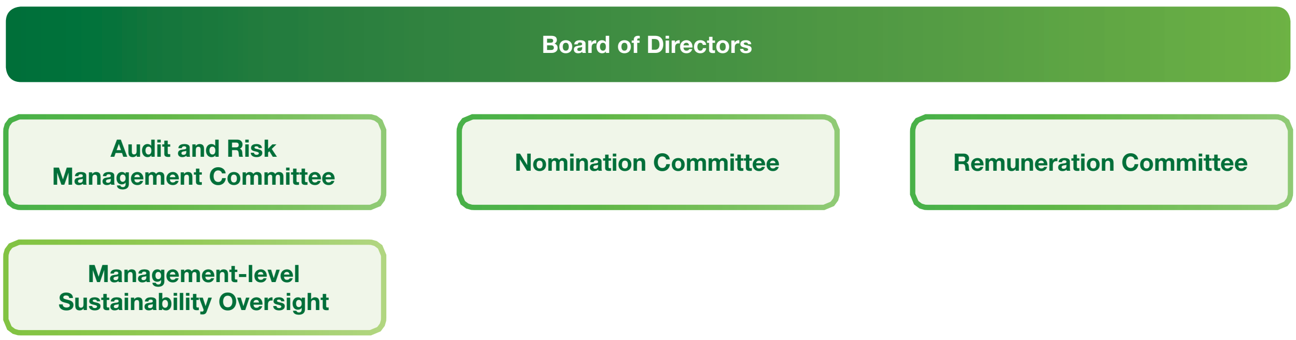
This Sustainability Statement may include forward-looking statements relating to Fibromat's sustainability objectives, strategies, and future plans. Such statements are based on current expectations and assumptions and are subject to risks and uncertainties that may cause actual outcomes to differ. Readers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



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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	• Product quality and performance • Compliance with engineering and safety standards • Project reliability and delivery timelines • Technical support and after-sales service • Competitive pricing	• Customer relationship management • Project meetings and site visits • Technical discussions and consultations • Quality inspections and audits	• Ensure products meet specified engineering and quality requirements • Provide timely technical support and project coordination • Maintain consistent quality assurance and performance standards

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Key Stakeholders	Areas of Concern/Interest	Engagement Approach	Our Responses
Employees	• Occupational health and safety • Welfare and remuneration • Workplace diversity • Training and career development • Value equal opportunities	• Performance review • Management briefings and meetings • Internal communication channels • Annual event • Training programmes	• 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	• Transparent procurement practices • Timely performance of contractual obligations • Anti-bribery • Timely delivery of products • Pricing of services	• Evaluation on performance • Direct communication • Supplier management system • Incoming quality control checking on raw materials • Supplier meetings	• Prioritise the establishment of transparent and ethical procurement processes • Timely payment • Timely information disclosure • Maintaining long-term, mutually beneficial relationships
Investors/ Shareholders	• Financial performance (Sustainable and stable return on investment) • Timely and transparent information disclosures • Business strategy and growth prospects • Shareholder value • Corporate governance • Corporate developments	• Annual report • Annual General Meeting • Quarterly financial reports and announcements • Corporate website	• 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	• Regulatory compliance • Environment management and compliance • Fair labour practices • Policy matters (Public, health and safety) • Anti-bribery	• Annual report • Meeting and seminar • Public announcement • Inspection/Audit by local authority	• Full compliance with regulatory requirements • Adoption of practices outlined in the Malaysian Code on Corporate Governance ("MCCG") • Engagement of legal professionals
Local Communities	• Impact of business operation • Contribution to community development	• Social contributions and donations • Site interactions	• 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	• Financial performance and business resilience • Ethical conduct and corporate governance • Risk management and internal controls • Investment in talent and capabilities	• Operational efficiency and cost control • Quality management and product performance • Responsible sourcing and supplier management	• Market development and project delivery • Customer satisfaction and retention • Reputation and long-term value creation
Environmental	• Environmental compliance and oversight • Resource efficiency initiatives	• Energy and resource efficiency • Waste management and material optimisation • Environmentally responsible manufacturing practices	• Erosion control and environmental protection outcomes • Sustainable project execution and site practices
Social	• Employee health, safety and well-being • Training and skills development • Fair employment practices	• Occupational safety and worker welfare • Contractor and supplier labour standards	• Project safety management • Community engagement at project sites • Product safety and reliability
Governance	• Anti-corruption and ethical conduct • Regulatory compliance • Sustainability reporting and disclosure	• Supply chain governance and transparency • Quality assurance and control systems	• 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
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The assessment approach is aligned with the United Nations Sustainable Development Goals ("UNSDGs") and Bursa Malaysia's Common Sustainability Matters[1], 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	8 DECENT WORK AND ECONOMIC GROWTH	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	11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	• B4(a) Total energy consumption • B11(a) Scope 1 emissions in tonnes of $CO2_e$ • B11(b) Scope 2 emissions in tonnes of $CO2_e$ • B11(c) Scope 3 emissions in tonnes of $CO2_e$ (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	6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	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	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	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.			

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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	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH	• 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	1 NO POVERTY 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 17 PARTNERSHIPS FOR THE GOALS	• 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	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH	• 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	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION 17 PARTNERSHIPS FOR THE GOALS	• 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
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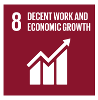
Material Topics	Risk and opportunities (IFRS S1 and S2)	Six Capitals	UNSDGS	Bursa Malaysia's Common Sustainability Indicators
Governance				
Anti-corruption	Ethical breaches pose legal and reputational risks, while strong controls enhance stakeholder confidence.	Governance		• B1(a) Percentage of employees 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		• 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		• 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.			

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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 8 DECENT WORK AND ECONOMIC GROWTH
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 (CO_2) 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.

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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 tCO_2e (FYE 2024: 249.34 tCO_2e), mainly due to lower fuel consumption. Scope 2 emissions increased to 350.03 tCO_2e, in line with higher electricity usage during the year. Scope 3 emissions, primarily from business travel and employee commuting, decreased to 4.16 tCO_2e. 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_2e	tCO_2e	80.82	249.34	190.98
B11(b) Scope 2 emissions in tonnes of CO_2e	tCO_2e	446.02	255.67	350.03
B11(c) Scope 3 emissions in tonnes of CO_2e (at least for the categories of business travel and employee commuting)	tCO_2e	4.17	14.12	4.16
	Unit	**2023**	**2024**	**2025**
B4(a) Total energy consumption	MWh	576.25	330.32	452.24

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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


Sijil Penghargaan
MTS FIBROMAT (M) SDN BHD
ANUGERAH EMAS
KATEGORI :
TENAGA DAN KECEKAPAN AIR LESTARI TERBAIK
ANUGERAH

Certificate for Anugerah Emas in Sustainable Energy and Water Efficiency

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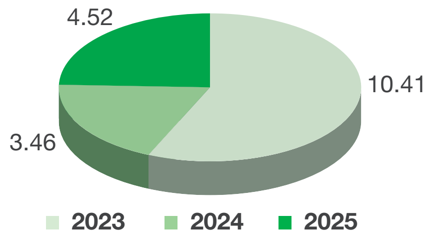
In FY 2025, Fibromat recorded total water consumption of 4.52 megalitres, compared to 3.46 megalitres in FY 2024 and 10.41 megalitres in FY 2023. The overall reduction from FY 2023 demonstrates the Group's ongoing efforts to optimise water usage, while the increase in FY 2025 compared to FY 2024 was 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.

B9(a) Total volume of water used (Megalitres)



Material Topic: Water	
Align with	Natural Capital
	6 CLEAN WATER AND SANITATION; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Summary of management approach	Fibromat monitors its water consumption to promote responsible resource management and improve operational efficiency as part of its ongoing`g 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.

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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.

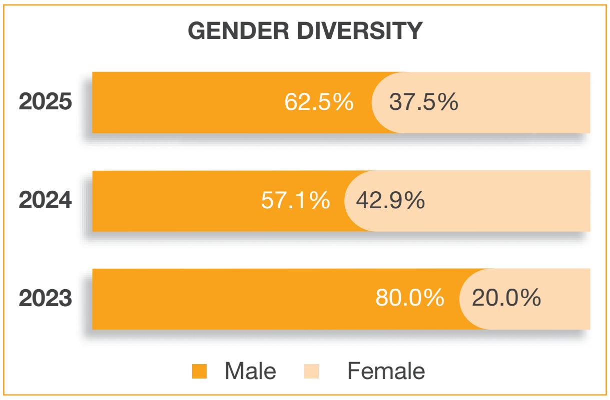
Fibromat upholds fair employment practices in accordance with its Code of Conduct, ensuring equal opportunity in recruitment, training, and career development, and maintaining a zero-tolerance approach towards discrimination and harassment. The Group supports employee development through ongoing learning,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

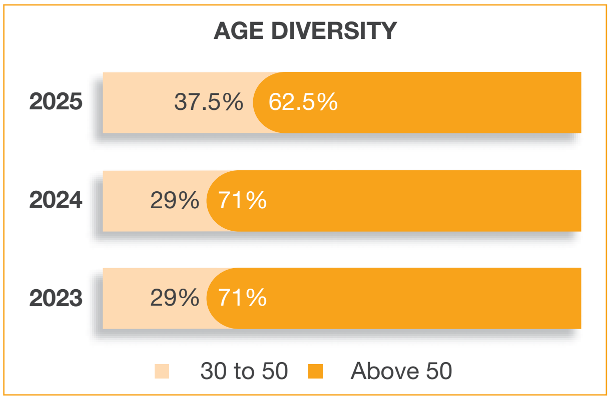
In FY 2025, no incidents of discrimination or human rights violations were reported, reflecting Fibromat's commitment to ethical conduct and an inclusive workplace culture.

	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.

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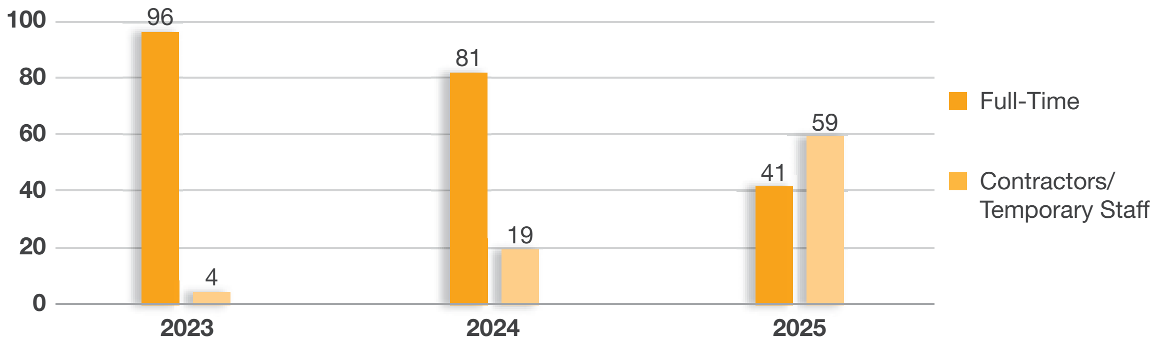
Workforce Profile
(based on total employees of 201 as of 31 December 2025)

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

EMPLOYMENT TYPE (%)

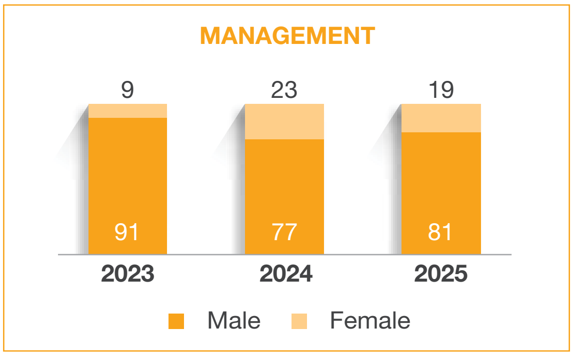


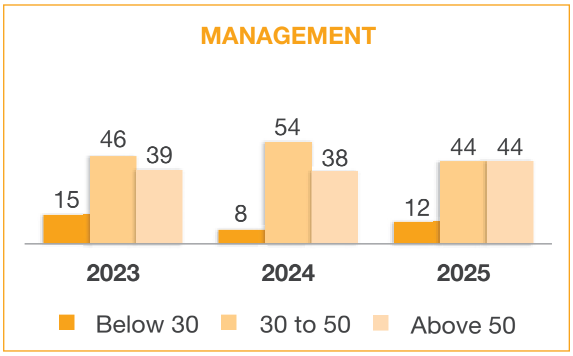
B3(a) Percentage of employees by gender and age group, for each employee category

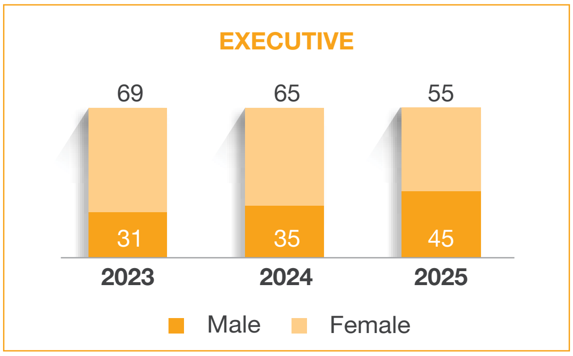
Workforce Profile by Employee Category (%)

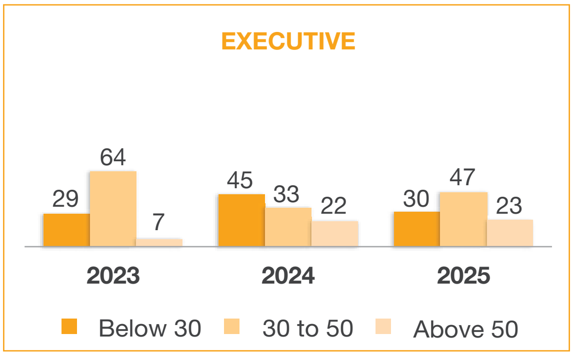
Gender Diversity

Age Diversity

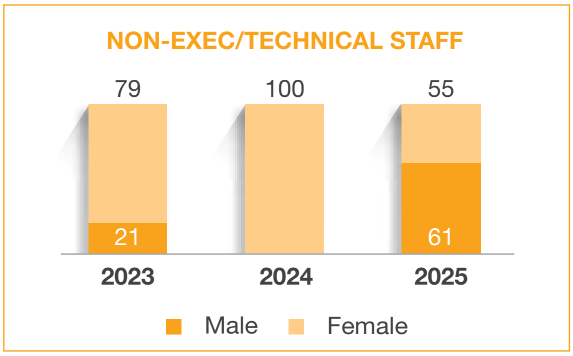


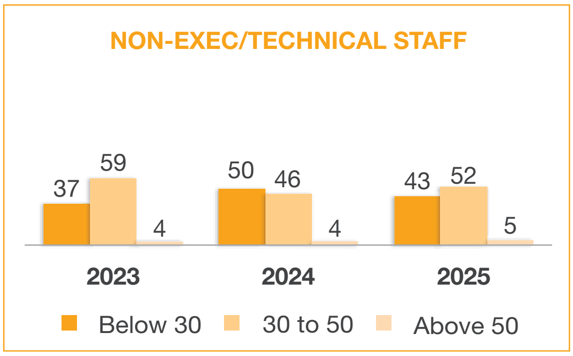


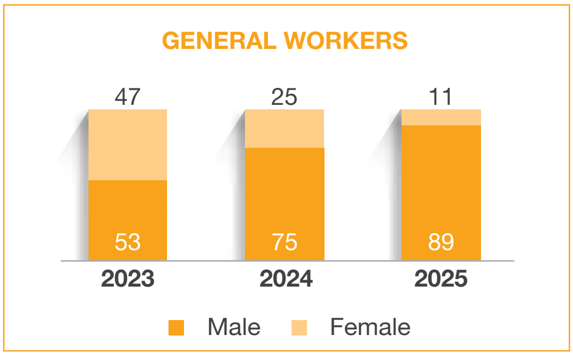


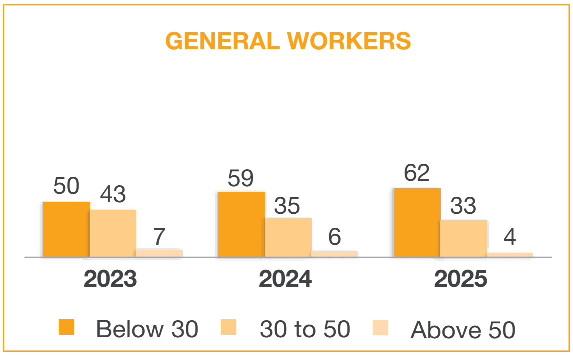


SUSTAINABILITY STATEMENT
cont'd









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

- Fire Drill and First Aid Training
- Cardiopulmonary Resuscitation ("CPR") Training
- Automated External Defibrillator ("AED") Training

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 3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH
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
	3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES; 11 SUSTAINABLE CITIES AND COMMUNITIES; 13 CLIMATE ACTION; 17 PARTNERSHIPS FOR THE GOALS
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

Management Philosophy

Company Policy

Risk Management and Strategies

Achieve Business Goals

Increased Corporate Value

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 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
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 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
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
	8 DECENT WORK AND ECONOMIC GROWTH
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

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	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	37,018	—	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	4.16	—	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	• Risk management Climate change – Board's skills and experience • Sustainability Committee – role and focus	• Governance
b) Describe management's role in assessing and managing climate-related risks and opportunities.	• Risk management Climate change – managing risk and opportunity • Sustainability Committee – role and focus in the **FY 2025**	• 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.	• Risk management – Risk factors (climate change, greenhouse gas emissions and energy) • Climate change – managing risk and opportunity	• Materiality Topics
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	• Risk management – Risk factors (climate change, greenhouse gas emissions and energy) • Climate change – managing risk and opportunity	• 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	• Climate change – evaluating the resilience of our portfolio	• 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.	• Risk management	• Materiality Topics
b) Describe the organisation's processes for managing climate-related risks.	• Risk management – Risk factors (climate change, greenhouse gas emissions and energy)	• Materiality Topics • Environmental
c) Describe how processes for identifying, assessing and managing climate related risks are integrated into the organisation's overall risk management.	• Risk management non-financial KPIs – sustainability KPIs • Risk management – Risk factors (climate change, greenhouse gas emissions and energy)	• 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.	• Non-financial KPIs – sustainability • KPIs Climate change – Operational emissions • Climate change – Scope 3 emissions	• 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.	• Non-financial KPIs – sustainability KPIs • Climate change – operational emissions performance • Climate change – Scope 3 emissions performance Climate change data	• Environmental
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	• Non-financial KPIs – sustainability KPIs • Climate change – operational emissions performance for the FY 2025 performance outcomes	• 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 *(appointed on 22 September 2025)*	1/1
Ng Chun Hou *(resigned on 30 January 2026)*	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	Organisor	Date
Prof. Dr. Fauziah binti Ahmad	• Laboratory Training • Mandatory Accreditation Programme Part II (MAP-II) – Leading for Impact (LIP) • 6th International Conference on GIS and Geoinformation Zoning for Earthquake Mitigation (GIZ 2025) • Responsible Innovation, Frontier Technologies & Sustainable Solutions • Training on laboratory operations and strengthen research innovation strategies	• Asian Institute of Technology • Institute of Corporate Directors Malaysia • Kazakhstan Geotechnical Society • Global Women Inventor & Innovators Network • Geo-Research Institute, Osaka	• 20 February 2025 • 19-20 August 2025 • 28-30 August 2025 • 22-23 October 2025 • 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 • Mandatory Accreditation Programme Part I (MAP-I) • Technology in Practice: Artificial Intelligence • Mastering the future workplace • CFO Circle Webinar: Strategic Leadership in the Age of AI and RPA: Driving Purpose and Innovation • Mandatory Accreditation Programme Part II (MAP-II) – Leading for Impact (LIP)	• Malaysian Institute of Accountants • Institute of Corporate Directors Malaysia • Malaysian Institute of Accountants • Malaysian Institute of Accountants • Malaysian Institute of Accountants • Institute of Corporate Directors Malaysia	• 13 February 2025 • 26-27 February 2025 • 17 April 2025 • 7 May 2025 • 19 May 2025 • 19-20 August 2025
Ilham binti Umar Thabii	• Mandatory Accreditation Programme Part I (MAP-I) • Mandatory Accreditation Programme Part II (MAP-II) – Leading for Impact (LIP)	• Institute of Corporate Directors Malaysia • Institute of Corporate Directors Malaysia	• 26-27 February 2025 • 22-23 September 2025
Loo Pak Soon	• Mandatory Accreditation Programme Part II (MAP-II) – Leading for Impact (LIP) • US Tarriff Hike and its impact on Business in Asia- Pacific • AOB Conversation with Audit Committee	• Institute of Corporate Directors Malaysia • Baker Tilly Asia Pasific Tax • Securities Comission Malaysia	• 12-13 February 2025 • 6 May 2025 • 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 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	Untilised 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	Group 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	Group 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	Group 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

	Group	
Islamic financing	**FYE 2025**	**FYE 2024**
	RM'000	**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.

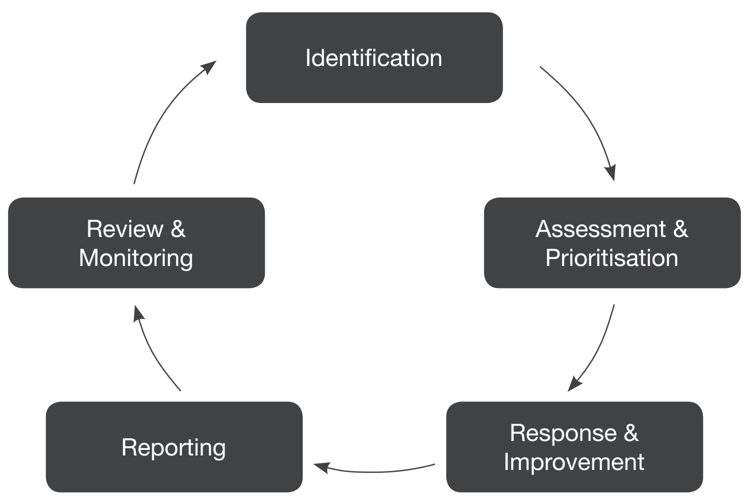
Following the successful transfer of listing from the LEAP Market to the ACE Market on 8 May 2025, the Board has continued to strengthen its governance framework to align with heightened regulatory expectations. The Board confirms that the system of risk management and internal control is designed to 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 *Independent Non-Executive Director*	5/5
Loo Pak Soon – Member *Independent Non-Executive Director*	5/5
Ilham binti Umar Thabii – Member *Independent Non-Executive Director*	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

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.