



fibromat

EROSION CONTROL | GEOSYNTHETIC

FIBROMAT (M) BERHAD

Registration No. 201201037651 (1022133-V)

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act 2016)

**UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE
1ST HALF-YEAR FINANCIAL PERIOD ENDED 30 JUNE 2024**

CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”)

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDER AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY FIBROMAT (M) BERHAD (“FIBROMAT” OR THE “COMPANY”). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS
OF FINANCIAL POSITION AS AT 30 JUNE 2024⁽¹⁾**

	Unaudited as at 30 June 2024 RM	Audited as at 31 Dec 2023 RM
ASSET		
Non-current assets		
Property, plant and equipment	20,455,575	20,249,168
Investment properties	1,950,487	1,970,824
Total non-current assets	22,406,062	22,219,992
Current assets		
Inventories	16,640,343	16,251,617
Trade and other receivables	27,538,884	20,662,701
Contract assets	7,488,606	6,823,535
Cash and short-term deposits	3,994,516	5,400,992
Total current assets	55,662,349	49,138,845
TOTAL ASSETS	78,068,411	71,358,837
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	44,700,000	44,700,000
Merger reserve	(31,935,997)	(31,935,997)
Retained earnings	35,530,110	34,095,198
TOTAL EQUITY	48,294,113	46,859,201
LIABILITIES		
Non-current liabilities		
Loans and borrowings	6,418,827	7,124,624
Deferred tax liabilities	997,272	997,272
Total non-current liabilities	7,416,099	8,121,896

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS
OF FINANCIAL POSITION AS AT 30 June 2024⁽¹⁾ (Continue)**

	Unaudited as at 30 June 2024 RM	Audited as at 31 Dec 2023 RM
Current liabilities		
Loans and borrowings	5,681,214	2,570,035
Current tax liabilities	979,832	655,130
Trade and other payables	10,722,495	12,634,147
Contract liabilities	4,974,658	518,428
Total current liabilities	22,358,199	16,377,740
TOTAL LIABILITIES	29,774,298	24,499,636
TOTAL EQUITY AND LIABILITIES	78,068,411	71,358,837
Net assets per ordinary shares (RM)	0.22	0.22

Notes:

1. *The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position is disclosed in Note A1 and should be read together in conjunction with the audited financial statements of the Company for the financial year ended ("FYE") 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.*
2. *Net assets per ordinary share is calculated based on the Company's number of ordinary shares at the end of the reporting period of 216,000,000 shares.*

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 1ST HALF-YEAR FINANCIAL PERIOD ENDED 30 JUNE 2024 ⁽¹⁾

	Individual 6 months ended		Cumulative 6 months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	RM	RM	RM	RM
Revenue	31,410,352	24,417,491	31,410,352	24,417,491
Cost of sales	(23,564,575)	(16,933,622)	(23,564,575)	(16,933,622)
Gross profit	7,845,777	7,483,869	7,845,777	7,483,869
Other operating income/ (loss)	116,935	337,672	116,935	337,672
Administrative expenses	(1,755,208)	(1,044,016)	(1,755,208)	(1,044,016)
Selling and distribution cost	(958,022)	(933,920)	(958,022)	(933,920)
Finance cost	(496,538)	(549,109)	(496,538)	(549,109)
Profit before tax	4,752,944	5,294,496	4,752,944	5,294,496
Tax expenses	(1,158,032)	(1,281,118)	(1,158,032)	(1,281,118)
Profit for the financial year	3,594,912	4,013,378	3,594,912	4,013,378
Other comprehensive income, net off tax	-	-	-	-
Total comprehensive income	3,594,912	4,013,378	3,594,912	4,013,378
Attributable to equity holders of the Company:				
-Basic earnings per share (sen)	1.66	1.86	1.66	1.86
-Diluted earnings per share (sen)	1.66	1.86	1.66	1.86

Notes:

1. *The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Company for the FYE 31 December 2023 and the accompanying explanatory notes attached to this interim report.*
2. *Basic earnings per share is calculated based on the Company's number of ordinary shares of 216,000,000 as at the reporting date.*
3. *Diluted earnings per share of the Company is equivalent to the basic earnings per share as the Company does not have convertible at the end of the financial period.*

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE 1ST HALF-YEAR FINANCIAL PERIOD ENDED 30 JUNE 2024⁽¹⁾

	Share Capital RM	Merger Reserve RM	Retained Earnings RM	Total RM
Group				
Balance as at 1 January 2023	44,700,000	(31,935,997)	27,764,784	40,528,787
Profit for the financial year	-	-	8,490,414	8,490,414
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	8,490,414	8,490,414
Transaction with owners				
Acquisition of a subsidiary in business combination under common control	-	-	-	-
Dividends paid on shares	-	-	(2,160,000)	(2,160,000)
Issuance of ordinary shares	-	-	-	-
Total transaction with owners	-	-	(2,160,000)	(2,160,000)
Balance as at 31 December 2023	44,700,000	(31,935,997)	34,095,198	46,859,201
Profit for financial year	-	-	3,594,912	3,594,912
Other comprehensive income, net of tax	-	-	-	-
Total Comprehensive income	-	-	3,594,912	3,594,912
Transaction with owners				
Dividends paid on shares	-	-	(2,160,000)	(2,160,000)
Balance as at 30 June 2024	44,700,000	(31,935,997)	35,530,110	48,294,113

Note:

- The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Company for the FYE 31 December 2023 and the accompanying explanatory notes attached to this interim report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE 1ST HALF-YEAR
 ENDED 30 June 2024⁽¹⁾**

	6 months ended	
	30 June 2024	31 Dec 2023
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,752,944	11,229,866
Adjustment for:		
Depreciation of property, plant and equipment	954,813	1,674,667
Depreciation of investment properties	20,337	40,675
Gain on disposal of property, plant and equipment	(15,000)	(254,500)
Derecognition due to end of lease term		6,723
Reversal of impairment loss on trade receivables	-	(117,177)
Impairment loss on trade receivables	-	376,031
Bad debts recovery	-	(13,240)
Finance cost	496,539	1,046,846
Finance income	(3,455)	(28,968)
Net unrealised foreign exchange gain	86,889	(129,810)
Operating profit before changes in working capital	6,293,067	13,831,113
Changes in working capital:		
(Increase)/ Decrease in Inventories	(388,726)	(1,987,077)
(Increase)/ Decrease Trade and other receivables	(6,876,183)	973,877
(Increase)/ Decrease Contract assets	(665,071)	(5,840,945)
Increase/ (Decrease) Trade and other payables	(2,015,389)	7,263,579
Increase/ (Decrease) Contract liabilities	4,456,230	316,964
Cash generated from operations	803,928	14,557,511
Tax paid	(833,330)	(1,700,000)
Interest received	1,548	4,454
Interest paid	(62,897)	(93,714)
Net cash from operating activities	(90,751)	12,768,251

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE 1ST HALF-YEAR
 ENDED 30 June 2024⁽¹⁾ (continue)**

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(668,620)	(355,675)
Proceed from disposal of property, plant, and equipment	15,000	254,500
Interest received	1,907	24,514
Changed in pledged deposits	-	(24,514)
Net cash used in investing activities	(651,713)	(101,175)

CASH FLOWS FROM FINANCING ACTIVITIES

Drawdown of term loans	400,000	-
Drawdown of banker's acceptance	5,903,656	13,563,557
Repayment of term loans	(1,008,788)	(2,058,708)
Payment of bankers' acceptances	(4,443,478)	(17,054,557)
Payment of lease liabilities	(375,965)	(496,817)
Interest paid	(433,642)	(953,132)
Dividends paid	(2,160,000)	(2,160,000)
Net cash from/ (used in) financing activities	(2,118,217)	(9,159,657)

Net increase/ (decrease) in cash and cash equivalents	(2,860,681)	3,507,419
Effect of exchange rate changes	16,848	26,073
Cash and cash equivalents at the beginning of financial year	4,136,845	603,353
Cash and cash equivalents at the end of financial year	1,293,012	4,136,845

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE 1ST HALF-YEAR
ENDED 30 June 2024⁽¹⁾ (continue)**

Note:

1. *The basis of preparation of the Unaudited Condensed Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Company for the FYE 31 December 2023 and the accompanying explanatory notes attached to this interim report.*

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE

1ST HALF-YEAR ENDED 30 June 2024

A. NOTES TO THE FINANCIAL REPORT

A.1 BASIS OF PREPARATION

The interim financial report of Fibromat (M) Berhad (“**Fibromat**” or the “**Company**”) and its subsidiary (“**Group**”) are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“**MFRS**”) 134 “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (“**MASB**”) and Rule 6.12 and Appendix 6A of the LEAP Market Listing Requirements (“**Listing Requirements**”).

This is the interim financial report on the Company’s unaudited condensed consolidated financial results for the 1st half-year financial period ended (“**FPE**”) 30 June 2024. The interim report should be read in conjunction with the audited financial statements for the FYE 31 December 2023 and the accompanying explanatory notes to the interim financial report.

A.2 STATEMENT OF COMPLIANCE

The accounting policies and presentation adopted for the interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“**MFRSs**”), the International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Adoption of new MFRS and amendments to MFRSs

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

New MFRS

MFRS 17	Insurance Contracts
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Amendments to MFRSs

MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 112	Income Taxes

The adoption of the above new MFRS and amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group’s and the Company’s existing accounting policies, except as discussed below:



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Amendments to MFRS 101 Presentation of Financial Statements

The amendments require an entity to disclose its material account policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in changes to the accounting policies of the Company.

Amendments to MFRSs that have been issued, but yet to be effective

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

<u>Amendments to MFRSs</u>	Effective for financial periods beginning on or after
MFRS 7 Financial Instruments: Disclosure	1 January 2024
MFRS 10 Consolidated Financial Statements	Deferred
MFRS 16 Leases	1 January 2024
MFRS 101 Presentation of Financial Statements	1 January 2024
MFRS107 Statement of Cash Flows	1 January 2024
MFRS121 The effect of Changes in Foreign Exchange Rate	1 January 2025
MFRS128 Investment in Associates and Joint Ventures	Deferred

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

Amendments to MFRS 16 Leases

The amendments clarify how an entity should subsequently measure the leaseback liability that arise in a sale and leaseback transaction. Although MFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place, it has not specified how to measure the sale and leaseback transaction when reporting after that date.

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A.3 SEASONAL OR CYCLICALS FACTORS

The Group does not experience significant fluctuations in operations due to seasonal factors or cyclical factors during the current financial period under review and the financial year under review.

A.5 MATERIAL CHANGES IN ESTIMATES

There were no changes in estimates that had a material effect in the current financial period under review.

A.6 DEBT AND EQUITY SECURITIES

There were no changes in estimates that had a material effect in the current financial period under review.

A.7 SEGMENTAL INFORMATION

Operating segments

Revenue by segment	<u>Individual 6 months ended</u>		<u>Cumulative 6 months ended</u>	
	<u>30 June 2024</u>	<u>30 June 2023</u>	<u>30 June 2024</u>	<u>30 June 2023</u>
	RM	RM	RM	RM
Manufacturing	5,991,601	3,977,694	5,991,601	3,977,694
Trading	10,050,748	11,289,395	10,050,748	11,289,395
Designed and installation services	15,368,002	9,150,401	15,368,002	9,150,401
Total	31,410,352	24,417,491	31,410,352	24,417,491

A.8 CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current financial period under review.

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A.9 INTEREST BEARING LOANS AND BORROWINGS

30 June 2024

	Term Loan RM	Bank Acceptance RM	Bank Overdraft RM	Hire Purchase RM	Total RM
Minimum Lease Payments:					
- within 1 year	2,640,523	1,460,178	1,437,357	585,915	6,123,973
- after 1 year but less than 5 years	5,882,007	-	-	1,004,793	6,886,800
Less: Interest in suspense	(759,550)	-	-	(151,183)	(910,733)
	7,762,981	1,460,178	1,437,357	1,439,525	12,100,040

Present Value of Lease Payments:

- within 1 year	2,197,764	1,460,178	1,437,357	585,915	5,681,214
- after 1 year but less than 5 years	5,565,217	-	-	853,610	6,418,827
	7,762,981	1,460,178	1,437,357	1,439,525	12,100,040

31 December 2023

	Term Loan RM	Bank Acceptance RM	Bank Overdraft RM	Hire Purchase RM	Total RM
Minimum Lease Payments:					
- within 1 year	2,007,796	-	-	591,745	2,599,541
- after 1 year but less than 5 years	6,784,709	-	-	832,537	7,617,246
Less: Interest in suspense	(420,736)	-	-	(101,392)	(522,128)
	8,371,769	-	-	1,322,890	9,694,659

Present Value of Lease Payments:

- within 1 year	2,007,796	-	-	562,239	2,570,035
- after 1 year but less than 5 years	6,363,973	-	-	760,651	7,124,624
	8,371,769	-	-	1,322,890	9,694,659

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A.10 CHANGES IN CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no material changes in contingent liabilities and assets as at the end of the financial period under review.

A.11 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

There were no material events subsequent to the end of the current financial period under review.

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B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B.1 REVIEW OF PERFORMANCE

The Group recorded a revenue of RM31.41 million and gross profit RM7.85 million, which contributes to 25 % gross profit margin for the 1st half-year FPE 30 June 2024. Fibromat has 3 revenue segments, namely, manufacturing segment, trading segment and design & installation segment with revenue contribution of RM5.99 million, RM10.05 million and RM15.37 million, respectively.

In comparison, the revenue recorded during the same period in preceding year is RM24.42 million; manufacturing segment, trading segment and design & installation segment with revenue contribution of RM3.98million, RM11.29 million and RM9.15 million, respectively. Which this representing an increase in revenue of RM6.99 million or 28.64%.

To detailed out the performance by segments during the FPE 30 June 2024 as compared to the preceding period, the manufacturing segment has shown an increase in revenue by RM2.01 million or 34%, the revenue for trading segment has decrease by RM1.24 million or 12% and the revenue for design and installation services has shown increase by RM6.22million or 40%.

The Group had incurred listing expenses for ACE Market of RM477K for the 1st half-year FPE 30 June 2024, whereby RM415K was realised as listing expenses during the period.

Overall, the Group's profit before tax ("PBT") for 1st half-year FPE 30 June 2024 is RM4.75 million as compared to RM5.29 million in previous corresponding year, representing a decrease of RM0.54 million. The profit after tax ("PAT") is RM3.59 million, with a tax expense of RM1.16 million. This translated to an earnings per share ("EPS") of 1.66sen for the period.

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B.2 PROSPECTS

Under the Malaysia Budget of 2024, it was highlighted that the government had allocated its budget for the development of the country's infrastructures. Whereby, among the plans involved flood mitigation.

With the government budget allocation for the infrastructure and flood mitigation, the company will poise to benefit as the government aims to expedite flood mitigation projects.

In line with that, the Group continues its focus in the Erosion Control Solutions and Geotechnical industry in Malaysia placing the Company's as a comprehensive centre particularly in providing solution for supply and design. This is a part of the Company's initiatives pursuing to create value for the organization and its stakeholders and gain a competitive advantage in the market.

To-date, the implementation of these plans is in progress within the management's control. Barring any unforeseen circumstances, the Board believes that the prospects of the Group's financial performance for the coming financial year will remain favourable.

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C. OTHER INFORMATION

C.1 STATUS OF CORPORATE PROPOSALS

On 10th May 2024, on behalf of the Board of Directors of Fibromat, M & A Securities Sdn Bhd announced that the Company had received a letter from its major shareholder, namely Ng Kian Boon, requesting the Board to consider undertaking the Proposed Transfer of Listing ("Proposal Letter").

Subsequently, company had made a circular to shareholders in relation to the proposed transfer of listing from the LEAP market of Bursa Malaysia Securities Berhad to the ACE Market of Bursa Malaysia Securities Berhad ("Proposed Transfer of Listing") and the circular was announced in the Bursa Malaysia on 1 August 2024.

On 23 August 2024, an Extra Ordinary General Meeting was held in proposing the transfer of listing from the LEAP market of Bursa Malaysia Securities Berhad to the ACE Market of Bursa Malaysia Securities Berhad. Whereby a special resolution was passed comprising the followings details:

- i. Proposed voluntary withdrawal of Fibromat's listing from the official list of the LEAP Market of Bursa Malaysia Securities Berhad ("Bursa Securities") pursuant to rules to rules 8.05 and 8.06 of the LEAP Market listing requirements of Bursa Securities ("Proposed Withdrawal"); and,
- ii. Proposed listing of and quotation for the entire enlarged issued share capital of Fibromat on the ACE Market pursuant to rules 3A.02(1) and 3A.02(2) of the ACE Market listing requirements of Bursa Securities ("Proposed Listing")

A Special Resolution was voted by poll and the results were validated by Sky Corporate Services Sdn Bhd., the independent scrutineer appointed by the Company. The Extra Ordinary General Meeting that was held recorded 100 percent vote in favour for the resolutions. The result of the outcome of the Extra Ordinary General Meeting was announce on 23 August 2024.

C.2 Material litigation

There are no material litigations pending as at the date of this report.

C.3 DIVIDENDS

On 11 March 2024, the Group had announced a declaration of a single-tier interim dividend of RM0.01 per ordinary share for the FPE 30 June 2024, amounting to RM2.16million.

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