



**ASSOCIATED AIR-PAK INDUSTRIES BERHAD**  
(Registration No.: 197601000486 (26441-T))  
(Incorporated in Malaysia)

**ADDITIONAL INFORMATION ACCOMPANYING THE AUDITED FINANCIAL  
STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

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

**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 AND MAIN MARKET OF BURSA SECURITIES. IT IS A  
QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY  
EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE  
IN CORPORATE EXERCISES UNDERTAKEN BY ASSOCIATED AIR-PAK INDUSTRIES BERHAD.  
SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH  
CORPORATIONS AND SHOULD MAKE THEIR DECISION TO INVEST ONLY AFTER DUE AND CAREFUL**

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## SECTION A – ADDITIONAL INFORMATION REQUIRED UNDER PART B OF APPENDIX 6A OF THE LEAP MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

### A1. REVIEW OF PERFORMANCE

#### 1. Revenue

##### By business segment

The segmental analysis of the Group's revenue is set out as follows:

Manufacturing Segment – involved in manufacturing of packaging products; and  
Transportation Segment – involved in transportation services.

	<b>Audited</b>			
	<b>Financial year ended ("FYE")</b>		<b>FYE 31.12.2024</b>	
	<b>31.12.2025</b>			
	<b>(RM)</b>	<b>(%)</b>	<b>(RM)</b>	<b>(%)</b>
Manufacturing	47,947,760	99.42	47,209,696	99.38
Transportation	277,379	0.58	295,933	0.62
<b>Total</b>	<b>48,225,139</b>	<b>100.00</b>	<b>47,505,629</b>	<b>100.00</b>

For the FYE 31 December 2025, the Group recorded revenue of approximately RM48.23 million mainly derived from Manufacturing Segment which contributed RM47.95 million or approximately 99.42% and Transportation Segment which contributed RM0.28 million or approximately 0.58%.

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### SECTION A – ADDITIONAL INFORMATION REQUIRED UNDER PART B OF APPENDIX 6A OF THE LEAP MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

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#### 2. Profitability level

	Audited	
	FYE 31.12.2025	FYE 31.12.2024
Gross profit (“GP”) (RM)	6,062,530	7,199,298
GP margin (%)	12.57	15.15
Profit before tax (“PBT”) (RM)	1,546,739	2,050,772
PBT margin (%)	3.21	4.32
Profit after tax (“PAT”) (RM)	1,058,457	1,472,998
PAT margin (%)	2.19	3.10

The Group recorded a lower GP of RM6.06 million in the FYE 2025 as compared to RM7.20 million in the FYE 2024, representing a decrease of RM1.14 million or approximately 15.83%. The Group recorded a GP margin of 12.57% in the FYE 2025 and 15.15% in the FYE 2024. The decrease in GP was mainly due to increase in cost of sales des attributable to higher operating cost incurred during the year.

For the FYE 31 December 2025, the Group registered a PBT and PBT margin of RM1.55 million and 3.21%, respectively as compared to the FYE 31 December 2024, where the Group registered a PBT and PBT margin of RM2.05 million and 4.32%, respectively. The decrease in PBT of RM 0.50 million and PBT margin of 1.11% mainly due to higher operating cost for the FYE 2025.

The lower GP contributed to lower overall profitability which was reflected in the Group's PAT and PAT margin of RM1.06 million and 2.19%, respectively for the FYE 31 December 2025 as compared to PAT and PAT margin of RM1.47 million and 3.10%, respectively in the FYE 31 December 2024.

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## SECTION A – ADDITIONAL INFORMATION REQUIRED UNDER PART B OF APPENDIX 6A OF THE LEAP MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

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### A2. Prospects

According to the independent market researcher's report by Providence Strategic Partners Sdn Bhd ("**Providence**") ("**IMR Report**") therein, the protective plastic packaging industry in Malaysia grew from RM 12.8 billion in 2019 to RM 22.8 billion in 2024 at a compound annual growth rate ("**CAGR**") of 12.2%. Over the long term, Providence projects the protective plastic packaging industry to grow from RM 22.8 billion in 2024 to RM 31.0 billion in 2027 at a CAGR of 10.8%. (*Source: IMR Report by Providence*).

Protective plastic packaging is used in many manufacturing industries, including the semiconductor and electronics, food and medical products manufacturing industries as they are lightweight, durable and resistant to liquid. Thus, Malaysia's manufacturing sector growth indicates the market potential for the local protective plastic packaging industry.

*(Source IMR Report by Providence dated 31 October 2025, as included in Section 5 of the Information Memorandum)*

Barring unforeseen circumstances, the Board remains cautiously optimistic about the Group's prospects in Malaysia's protective plastic packaging industry. The Group's competitive strengths, recent initiatives and the commencement of PET sheet sales provide a solid foundation for future growth. The Board recognises that recent geopolitical developments have tightened petrochemical feedstock flows and materially increased resin prices, which is the principal near-term risk to margins. The Group has implemented a transparent pricing mechanism that links selling prices to raw material movements and continues to engage customers to preserve margins. The Group is ready to take proactive measures to safeguard future performance for the benefit of its shareholders.

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## SECTION B – OTHER INFORMATION

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### **B1. Status of Corporate Proposal**

There were no corporate proposals announced but pending completion as at the date of this report.

### **B2. Material Litigation**

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

### **B3. Dividend**

On 27 February 2026, the Board of Directors of the Company declared a final dividend of 0.08 sen per share, amounting to approximately RM0.14 million, in respect of the financial year ended 31 December 2025, paid on 20 March 2026.

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### SECTION C – DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Rule 6.13A of the LEAP Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

**(a) Group Total Income and Total Assets**

	Remarks	Group	
		2025	2024
		(RM)	(RM)
Revenue		48,225,139	47,505,629
Other income	Rental income	1,875,000	1,820,920
Other income	Maintenance fee income	444,000	444,000
Other income	Gain on disposal of investment properties	587,986	-
Other income	Fair value gain on of investment properties	322,403	-
Other income	Interest income	17,218	11,236
Other income		185,919	187,603
<b>Total</b>		<b>51,657,665</b>	<b>49,969,388</b>
<b>Total Assets</b>		<b>78,155,554</b>	<b>71,137,035</b>

**(b) Business Activities**

Shariah Non-Compliant Activities	Remarks	Group	
		2025	2024
		(RM)	(RM)
N/A		N/A	N/A

**(c) Component of Financial Position**

**(i) Cash Component**

Islamic Account / Instruments	Group	
	2025	2024
	(RM)	(RM)
Deposits with licensed bank	363,886	111,000
Cash at bank (excluding cash in hand)	1,177	1,177
Cash in hand	22,115	22,240
<b>Total</b>	<b>387,178</b>	<b>134,417</b>

Conventional Account / Instruments	Group	
	2025	2024
	(RM)	(RM)
Deposits with licensed bank	451,447	439,686
Cash at bank (excluding cash in hand)	1,389,409	1,258,633
<b>Total</b>	<b>1,840,856</b>	<b>1,698,319</b>

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**SECTION C – DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)****(c) Component of Financial Position (Cont'd)****(ii) Debt Component**

<b>Islamic Finance</b>	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>(RM)</b>	<b>(RM)</b>
<b>Current</b>		
Bank overdrafts	1,056,311	328,504
Banker's acceptances	819,406	392,516
Term loans	1,132,977	505,713
<b>Non-current</b>		
Term loans	5,743,861	2,512,894
<b>Total</b>	<b>8,752,555</b>	<b>3,739,627</b>

<b>Conventional Borrowing</b>	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>(RM)</b>	<b>(RM)</b>
<b>Current</b>		
Bank overdrafts	3,880,186	3,355,879
Banker's acceptances	9,659,328	7,641,172
Term loans	3,392,054	3,502,059
Hire purchase payables	65,467	52,828
<b>Non-current</b>		
Term loans	6,891,431	10,354,602
Hire purchase payables	218,723	64,191
<b>Total</b>	<b>24,107,189</b>	<b>24,970,731</b>

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