



ASIA FILE CORPORATION BHD.

Registration No. 199401027510 (313192-P)
(Incorporated in Malaysia)

27th Annual General Meeting – Summary of Key Matters Discussed

1. In response to the question on the development or future plan of the food ware division, the Chairman of the Meeting (“Chairman”) explained that a lot of effort has been spent to grow the sales in this new division. The Company aims to grow this new venture by a double digit growth rate for the next five years. For the question on any plan to explore this division to foreign markets, the Chairman answered that the management will explore oversea markets in due time.
2. In response to the enquiry on the Group’s competitive strength compared to other food ware players, the Chairman replied that the Group always pride itself as being one of the leanest and innovative manufacturers in the filing industry and the Group is replicating the same approach in manufacturing any new products. He further added that the Group’s methodologies are to buy well, produce quality products efficiently and sell strategically.
3. With regards to the shareholders’ concern on the rationale of the Company in increasing stake in Muda Holdings Berhad (“MUDA”), the Chairman explained that MUDA has been an associate company of Asia File for many years, the management understand the business of MUDA well and see the value in the company especially during the current supply chain crisis.
4. Referring to the question from shareholder on the Company’s view relating to the entry of China paperboard producer into Malaysia market as a threat to MUDA, the Chairman responded that MUDA’s Managing Director had answered this question during their AGM held in June 2021. The paperboard produced by MUDA has its own niche and may differ from the type of papers produced by the Chinese plants. For those similar products produced by the Chinese paper mills, they are being sold at the prevailing market prices and as such will not erode the selling prices offered by MUDA. Furthermore, most of the Chinese plants manufacture recycled pulp for export back to China for their own consumption.
5. In response to the question on the acquisition of Supportive Technology Sdn. Bhd., the management clarified that the Company has done its due diligence and is very confident that the acquisition will add value to the Company’s diversification plan and provide synergetic benefit to the growth of its business.

6. On the question of the challenges facing by the Group, the Chairman explained that the Group is dealing with uncertainties arising from Covid-19 pandemic and many headwinds such as unprecedented high sea freight cost, rising energy costs in UK and Europe and global supply chain disruptions. As always, the Group will do its best to navigate through all these challenges.
7. With regards to the enquiry on the Company's plan for the filing division and the reduction in sales for this division, the Chairman replied that despite the decline in the sales for filing division, files usage will always remain. Moreover, with the current few market players left, Asia File will maintain as one of the fittest in the industry. The Group has noted some stability in sales from UK and Europe markets.
8. As to whether the revenue from the food ware division is enough to compensate the reduction in sales for filing division in years to come, the Chairman explained that the Group is working hard to fill the drop in revenue generated from filing products with new food wares and consumer wares. This can be seen from June 2021 results, where the quarterly sales were the best for the past two years.
9. In response to several enquiries from shareholders on the giving of door gift, e-wallet top up, e-vouchers and etc for attending the virtual AGM, the Chairman regret to inform that the Company does not practice door gift policy for AGM.
10. On the question of percentage of revenue generated from export markets and sales generated from Germany and UK plants, the management informed that more than 75% of the Group's revenue was contributed from oversea markets with some of the export businesses are handled directly from the oversea plants. The end products sold to the oversea customers could be produced jointly by the facilities in Malaysia, Germany or UK.
11. Environmental, Social and Governance ("ESG") being a rising concern especially amongst investors and considering Asia File's recent venture into consumer and food ware products. In response to the question posted by shareholder relating to the Company's business model in adapting to the above, the management explained that most of the materials used for the new venture is recyclable. For example, the plastic trimmings for the containers, storage boxes and lunch boxes, could be recycled and re-used in the production.
12. In response to the question posed on protection of foreign workers, the management informed that the Group adheres to the rules and regulation imposed by the local authority.
13. With regards to the enquiry of a lower dividend payout as compared to previous financial years, the Chairman explained that the Company is venturing into new business outside the traditional filing business which required additional capital. The management will consider a better reward to the shareholders when the Group's business is back on a stronger footing.
14. In response to the enquiry on the cost for holding virtual AGM, the Company informed that holding a virtual AGM is more expensive as compared to the physical AGM.