ASIA FILE CORPORATION BHD.

32nd Annual General Meeting

25th September 2026 | 10.00am

Olive Tree Hotel, Level 6, Olive 4 & 5

32nd Annual General Meeting

QUESTIONS FROM

MINORITY SHAREHOLDERS WATCH GROUP
("MSWG")

MSWG Q&A – Operational & Financial Matters

Question	1. Given the structural decline in filing products and the relatively modest scale of ABBAware, what does management expect AFC's revenue and profit mix to look like in three to five years? Specifically, what percentage of Group earnings does management expect to come from non-filing businesses?
Response	The Group's entry into ABBAware and packaging films is progressing well, with several new products in the pipeline. We expect gradual growth in these categories while maintaining healthy margins. We recognised the structural decline in filing and stationery markets some years ago and have been taking steps to address it. Our global filing business took more than 20 years to build into a position of strength, supported by our long-standing relationships and reputation as a trusted supplier to major global players. We therefore view the transition as a gradual and deliberate process.

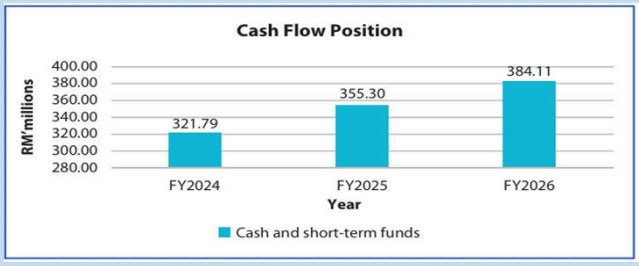
MSWG Q&A – Operational & Financial Matters

Response	**(Continued)** Looking ahead, we remain cautiously optimistic about achieving satisfactory operating results in FY2027. We will continue to develop ABBAware and packaging films organically, while also exploring synergistic acquisitions that can broaden the Group's earnings base and create additional growth opportunities.

MSWG Q&A – Operational & Financial Matters

Question	2. The Group has launched packaging film, Ready-to-Assemble ("RTA") storage solutions and laundry baskets and expanded through E-commerce platforms such as TikTok Shop. Which of these new product categories has achieved the strongest sales traction and margins? Which products does management expect to become the next major earnings drivers?
Response	All our new ABBAware product launches have performed well and are steadily gaining market share. We expect this momentum to translate into gradual and broad-based growth across the entire product range. At the same time, our E-commerce presence on platforms such as Amazon, Shopee and TikTok Shop continue to grow well and remains an important channel for reaching customers.

MSWG Q&A – Operational & Financial Matters

Question	3. AFC has RM384.1 million in cash and short-term funds, zero borrowings and relatively low FY2026 capex of RM1.9 million. It also generated RM31.9 million in operating cash flow.  a) The Group's net cash position of RM384.1 million is significantly higher than its market cap of only RM254.8 million as of Sep 15, 2026. What level of cash does management consider necessary to operate the business safely and fund its foreseeable growth opportunities?

MSWG Q&A – Operational & Financial Matters

Response	The Group maintains a strong cash position to support ongoing operations, provide financial flexibility and funds its foreseeable growth initiatives. While we do not set a specific target cash position, we will continue to assess our funding requirements prudently. At the same time, we are exploring suitable acquisition opportunities that are synergistic with our existing businesses and can contribute to the Group's future growth.

MSWG Q&A – Operational & Financial Matters

Question	b) Given the Group's growing, cash position and relatively modest capital requirements, would the Board consider returning a larger portion of the excess capital to shareholders through dividends or share buybacks, rather than retaining cash that may generate suboptimal returns?
Response	We recognise the importance of returning value to shareholders while maintaining sufficient financial flexibility to support the Group's growth plans. In this regard, we intend to declare a better dividend this year, subject to the Group's financial performance and Board's consideration. We will continue to balance shareholder returns with our funding requirements and potential acquisition opportunities.

MSWG Q&A – Sustainability Matters

Question	4. Scope 2 emissions declined to 10,036 tCO2e in FY2026 from 11,533 tCO2e a year earlier, while grid electricity consumption fell to 13.31m kWh from 15.30m kWh. The reduction was partly due to lower production volumes and greater solar PV generation. (page 46 of AR 2026). a) What was the Group's Scope 2 emissions intensity per tonne of production in FY2026? How did it compare with FY2025?
Response	As the Group manufactures different product categories that are measured in different units of measurement, a common production volume denominator is not used across all manufacturing sites. For Group level monitoring, Scope 2 emissions intensity is therefore assessed against Group revenue. On this basis, intensity was broadly stable at 42.07 tCO2e per RM million of revenue in FY2026, compared with 41.92 tCO2e per RM million of revenue in FY2025, representing an increase of 0.36%.

MSWG Q&A – Sustainability Matters

Question	b) Does the Board have a medium-term target to reduce emissions intensity per tonne of production? If so, what is the target and timeline
Response	The FY2026 Sustainability Statement does not disclose a specific quantified medium-term target at Group level for Scope 2 emissions intensity per tonne of production. The Group has established a long-term target for its UK paper mill to achieve net carbon neutrality by 2050. The paper mill continues to evaluate and implement initiatives to support this objective. Going forward, the Group will continue to monitor Scope 2 emissions and relevant intensity indicators.