

## Appendix A



全利資源有限公司  
Resources Berhad  
with value for all

**A MILESTONE ON  
OUR SUSTAINABLE  
GROWTH JOURNEY**



ANNUAL GENERAL MEETING  
29th SEPTEMBER 2020

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## Performance Review : FY2020 vs FY2019



Summarised income statement (RM'million)	FY2020	FY2019	% change
Revenue	4,155	3,619	+15%
Profit before tax (PBT)	307	272	+13%
<i>PBT % margin</i>	7.4%	7.5%	
Profit after tax (PAT)	239	216	+11%
<i>PAT % margin</i>	5.8%	5.9%	

# FY2020 Performance Review: Marine Products Manufacturing

## Marine Products Manufacturing (MPM)

ASEAN's leading marine products manufacturer



(RM'million)	FY2020	FY2019	% Change
Revenue	1,159	1,006	+15%
PBT	192	156	+23%

- For the year ended FY2020, MPM's Revenue and PBT increased 15% and 23% respectively due to higher contribution from surimi, fishmeal and surimi-based products.

# FY2020 Performance Review: Integrated Livestock Farming

## Integrated Livestock Farming (ILF)

- Asean's leading poultry egg producer



RM'million	FY2020	FY2019	% change
Revenue	2,740	2,310	+19%
PBT	111	96	+15%

- For the year ended FY2020, ILF's Revenue and PBT increased 19% and 15% respectively mainly due to higher contribution from FamilyMart convenience stores unit, Regional & Sabah poultry operations, as well as animal feed raw material trade.

## Palm Oil Activities (POA)

- Plantation, CPO Milling & Waste-to-energy systems



RM'million	FY2020	FY2019	% change
Revenue	256	303	-16%
PBT	4	19	-80%

- POA's revenue decreased 16% mainly due to lower volume of FFB processed;
- PBT decreased 80% due to lower FFB processed & forex translation loss.

# Operational Highlights for FY2020



- Marine Products Manufacturing activities
  - During the year, the Hutan Melintang plants with more automation and expanded capacity provides room to cater for increasing overseas and domestic demand.
  - As part of MPM expansion path to meet strong demands for our products, QL is in the process of acquiring a sizeable piece of land adjacent to current plant locale.
  - Across the border in Surabaya, our regional replication of frozen surimi-based products manufacturing has successfully come online for a full year now and shown great promise. On the back of encouraging market response, QL is planning into expanding the current production capacity.

# Operational Highlights for FY2020



- Integrated Livestock Farming activities
  - The lower egg price in Peninsular Malaysia continued into this financial year due to oversupply.
  - Our Indonesian unit achieved the target of outputting 800,000 eggs per day during the year. Construction work is underway to increase capacity to 1.4 million eggs per day in the next five years. The first phase of the expansion work is scheduled to complete in late FY2021.
  - Likewise, in Vietnam, QL aims to more than double production from 850,000 to 1.8 million eggs per day on a new piece of land nearby that was acquired to build a new farm for this purpose.



# Operational Highlights for FY2020



- Palm Oil Activities

- The Indonesian plantation FFB production improved slightly in FY2020 over FY2019 with 141,000 metric tonnes compared to 139,000 metric tonnes, which is a 1.4% improvement.
- The improved FFB production and the marginal recovery of crude palm oil (CPO) prices in the financial year could not help mitigate other factors which weighed performance down, including forex translation losses, and lower contribution from Boilermech.

## Operational Highlights for FY2020



- FamilyMart Convenience Stores
  - At the close of FY2020, there were 184 FamilyMart stores opened in Malaysia. We have since expanded beyond Kuala Lumpur and Selangor.
  - We remain on course to fulfil our initial target of 300 stores in five years (FY2022) and are continuously scouring potential new locations to widen the network to offer true convenience to Malaysians.
  - As we expand our footprint, we concurrently create new job opportunities, especially for locals. As at end FY2020, FamilyMart and its central kitchen are providing employment to about 2,600 people.

## Summary of 1st quarter earnings results: Q1FY21 vs Q1FY20



RM'million	Qtr 30.6.2020	Qtr 30.6.2019	% change
Revenue	970	993	-2%
Operating profit	142	117	+21%
Profit before Tax (PBT)	80	62	+29%
<i>PBT % margin</i>	8.2%	6.2%	
Profit after tax after MI (PAT)	51	50	+2%
<i>PAT % margin</i>	5%	5%	

For details review, please refer to our quarterly report

# Update on Covid-19 impact to QL Business Segments for Q1FY21



- All QL business segments are treated as essential goods since MCO
- **MPM**  
Strong positive Q1 results due to good fish landing resulting in higher selling volume for fishmeal and surimi based products, further enhanced by economies of scale in production, lower raw material and fuel cost.
- **ILF**  
Negative Q1 results as impact of MCO on both Peninsular and Indonesia farm operations was more severe than anticipated.
- **POA**  
Positive Q1 results with higher CPO price and forex translation gain from Indonesian Rupiah strengthening
- **CVS**  
As anticipated, overall negative Q1 results with drop in sales but significant recovery made as operations achieved breakeven in June. Healthy mix of store types supplemented by its new online delivery channel has enabled FamilyMart convenience stores to recover steadily during RMCO period.

# Overall outlook for FY2021



- Business Segments outlook :
  - MPM has a mixed to positive outlook :
    - We will continue to grow for QL's products through new capacity expansion, innovative new product range, new market, brand and price leadership
    - The fishing activities may benefit from better catch and reduce operating cost as the price of crude oil trailed down.

## Overall outlook for FY2021-continue



### – ILF activities has moderately negative outlook :

- While COVID-19 took its toll on consumption patterns and demand, poultry farming is regarded an essential service and were allowed to operate per normal.
- The reduction in demand gave rise to oversupply in Peninsular Malaysia and Indonesia. However, the oversupply situation is less severe in other markets and business as usual is expected barring unforeseen circumstances.
- In the trading operation, the volume and margin are projected to be stable.

## Overall outlook for FY2021 -continue



- Palm Oil activities is expected have mixed outlook:
  - Indonesia plantation is projecting a higher FFB production due to increasing prime age profile.
  - In terms of forex translation, we anticipate that the loss situation of last financial year may reverse itself in FY2021 as the Indonesian rupiah stabilises.
  - On a slightly upbeat note as well, we project that CPO prices will trend upwards marginally, improving slightly from last year's price of RM2,200 per metric tonne.

## Overall outlook for FY2021 -continue



### - FamilyMart Convenience Stores:

- Outlook for FY2021 remains challenging. Q1FY21 sales and PBT were affected by MCO & CMCO imposed with some temporary closures and reduced foot traffic.
- It achieved breakeven in June and performance continues to improve from July onwards.



## Overall outlook for FY2021 -continue



### - Overall outlook:

- With MPM and POA targeted to be slightly positive & mixed whereas ILF is moderately negative, we believe there is a fair chance for QL to deliver an overall marginally positive year.
- QL is committed to strive for another year of growth in FY2021, barring any major unforeseen events.

# Thank you

