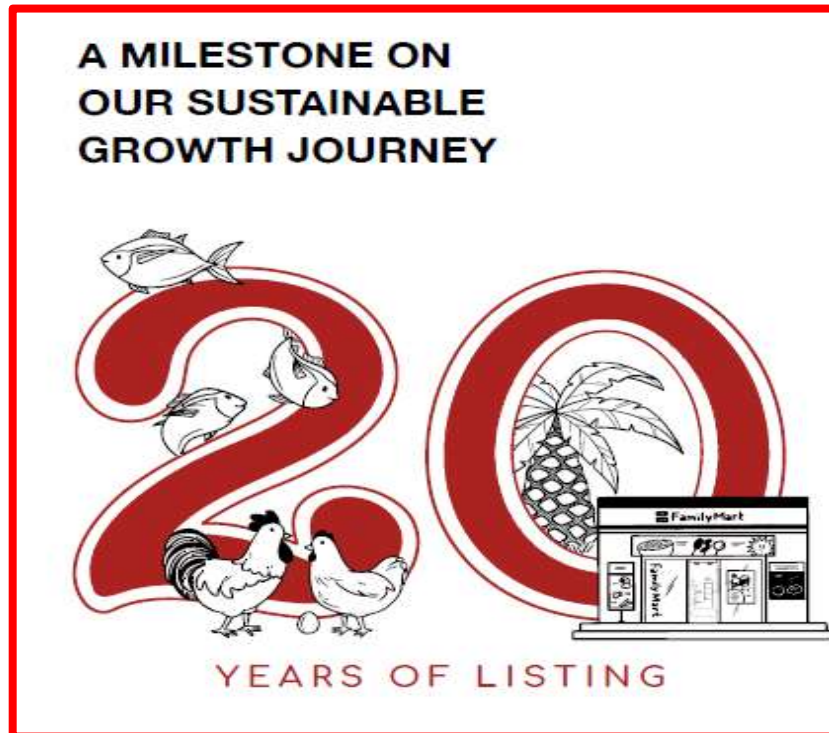


Appendix B



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



ANNUAL GENERAL MEETING
29th SEPTEMBER 2020

Questions from MSWG

In the Interest of minority shareholders and all other stakeholders of the Company, we would like to raise the following issue at the 23nd Annual General Meeting of QL Resources Berhad to be held on Tuesday, 29 September 2020.

Strategic & Financial Matters



Q1.

The Group’s surimi and surimi-based products continue to find strong footing in both the domestic and overseas market (page 31 of Annual Report 2020 (“AR2020”). Revenue contribution from the Marine-products Manufacturing segment was approximately RM1.2 billion (2019: RM1.0 billion) (Note 30, page 181 of AR2020).

What is the breakdown in terms of percentage contribution between domestic and overseas market?

Answer:

Domestic %	Overseas %	Total %
55%	45%	100%

Strategic & Financial Matters

Q2.

The layer farm in Raub with a production capacity of 700,000 eggs per day was completed in FY2020. However, the unit hit a setback as the farm was affected by low pathogen avian influenza (LPAI) in the fourth quarter of FY2020. Infected flocks were properly culled, resulting in production shrinking. As a result, significant losses are expected to carry forward into FY2021 (page 33 of AR2020).

How many infected birds were culled? When will production be expected to normalise?

Answer:

About 500,000 infected birds were culled. Production is expected to normalize by Q2FY2021.

Strategic & Financial Matters

Q3.

In relation to FamilyMart convenience store business:

(a) The FamilyMart convenience store business had begun to be profitable within two years and the initial target of opening 300 stores by FY2022 is well within the Group's ability based on the current track record (page 29 of AR2020).

(i) What was the revenue and profit contribution from FamilyMart to the Group in FY2020?

Answer:

Both revenue and profit contribution from FamilyMart have yet to meet MFRS requirement of separate business segment disclosure. Currently, we deemed such disclosure as price sensitive in nature.

Q3.

In relation to FamilyMart convenience store business:

(ii) What is the estimated number of FamilyMart stores to be opened in financial year ending 2021?

Answer:

We have a target of 240 stores by end FY2021



Strategic & Financial Matters

Q3.

In relation to FamilyMart convenience store business:

(b) QL's business pillars are classified as an essential service and allowed to operate subject to Standard Operating Procedure (SOP), except for some FamilyMart outlets which were located in premises that were ordered to close during the Movement Control Order (MCO) period (page 26 of AR2020).

(i) How many FamilyMart outlets were ordered to close during MCO period?

Answer: 30 stores

Q3.

In relation to FamilyMart convenience store business:

(ii) To what extent has this impacted FamilyMart's contribution to the top and bottom line of the Group?

Answer:

Q1FY21 sales and PBT were affected by MCO & CMCO imposed with some temporary closures and reduced foot traffic. In the month of April and May 2020, losses were incurred but It achieved breakeven in June and performance continues to improve from July onwards

Strategic & Financial Matters



Q3.

In relation to FamilyMart convenience store business:

(c) QL is investing into an additional central kitchen to support FamilyMart's enlarging footprint in Malaysia (page 29 of AR2020).

Which region in Malaysia will this additional central kitchen be located? When will this additional central kitchen be in operation? What is the capital expenditure to be incurred?

Answer:

Additional central kitchen will still be located in Shah Alam, Selangor Dahrul Ehsan and will be in operation during FY2022. Estimated capex to be incurred is about RM90 million.

Strategic & Financial Matters



Q4.

How has the Covid-19 pandemic impacted the Group's business operations in Indonesia and Vietnam?

Answer:

ILF operations in these 2 countries are treated as essential goods and allowed to run & operate at full capacity. Demand for different farm products varies geographically and was affected by different phases of lock down period imposed by authorities. However impact of MCO on Indonesia farm operations was more severe than anticipated during Q1.

MPM operation in Indonesia is treated as essential goods and was not impacted by Covid-19 pandemic.

Questions Posed by Shareholder before 27 Sep 2020



Questions Posed by Shareholder before 27 Sep 2020



Q1.

What is your company doing to maintain/improve profit margin?

Answer:

We continue to look at lowering production cost through use of automation, artificial intelligence and exploring more overseas market through greater marketing effort.

Questions Posed by Shareholder before 27 Sep 2020



Q2.

What products/service do you have in the pipeline to continue your growth?

Answer:

We continue to invest in R & D, developing more variety of products to meet customer need, investing in food safety & quality as well as production automation

Questions Posed by Shareholder before 27 Sep 2020



Q3.

Are your team looking into expanding FamilyMart in Singapore?

Answer:

No, not at the present moment but we will evaluate in the future if given the opportunity.

Thank you