

Appendix B



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



REPLY TO MSWG QUESTIONS

By Mr Kang Boon Beng
Chief Financial Officer

26th ANNUAL GENERAL MEETING
30th AUGUST 2023

Questions from MSWG

In the Interest of minority shareholders and all other stakeholders of the Company, we would like to raise the following questions at the 26th Annual General Meeting of QL Resources Berhad to be held on Wednesday, 30 August 2023.

Operational & Financial Matters



Q1

Overall, the Marine Products Manufacturing (“MPM”) business pillar will face higher operational costs from labour and fuel prices with the added pressure from the electricity surcharge which came into effect in January 2023 in Malaysia. (page 19 of AR2023)

Given that MPM will face higher operational costs from labour and fuel prices, has the Group raised its marine-based product prices since January 2023? Or are there plans to pass the increased cost to customers by increasing product prices going forward? If yes, by how much in terms of percentage?

REPLY:

The hike in operating cost from labour and fuel prices is an industry-wide issue.

For the upstream activities (fishing, fishmeal and surimi) and aquaculture, the selling price is market driven, subject to supply and demand. Therefore, we will continue to focus on productivity and efficiency to minimize margin compression.

For surimi-based products, we have increased price by about 7% in July 2022 partly to mitigate the higher input material and operating cost while we continue our focus and efforts to enhance productivity in order to sustain our margin. With softening of input material cost, we do not foresee any further price adjustment to mitigate the higher operating costs in year 2023.

Operational & Financial Matters



Q2

The Group's Convenience Store Chain ("CVS") experienced high turnover in the workforce as the labour market improved, and there was stiffer competition for talents. It also faced difficulties recruiting local talents. With the shortage of staff, maintaining the expected quality of service was a challenge. (page 25 of AR2023)

- (a) What are CVS plans to address the high turnover in its workforce and difficulties faced in recruiting local talents? To what extent will CVS increase the recruitment of foreign staff as part of the solution in relation to the difficulty in recruiting local talents?

REPLY:

- (a) We collaborated with various agencies and participated in campus recruitment and career fair to attract more local talents. Meanwhile, we strengthen the talent development and retention program.

The recruitment of foreign staff is mainly limited to central kitchen operation where hiring of locals are challenging.

At outlets, minimal recruitment of foreign staff as floor assistant is to tie over the critical period.

Q2 (/cont...)

The Group's Convenience Store Chain ("CVS") experienced high turnover in the workforce as the labour market improved, and there was stiffer competition for talents. It also faced difficulties recruiting local talents. With the shortage of staff, maintaining the expected quality of service was a challenge. (page 25 of AR2023)

(b) How far-off is CVS from achieving its ideal workforce size to maintain the expected quality of service?

REPLY:

b) After 6 months of intensive recruitment and retention efforts, the retail outlet workforce fulfilment has normalized and we are focusing on training, development and retention of workforce.

Operational & Financial Matters



Q3

The FamiCafé concept will be integrated into existing stores and CVS target to achieve 50 FamiCafé stores in FY2024. The FamiCafé in Menara U, Shah Alam in Selangor is the first convenience store café in Malaysia to receive halal certification. (page 25 of AR2023).

To-date, how is the performance of the FamiCafé in Menara U, Shah Alam as compared to a conventional store?

REPLY:

So far, the customer response and performance is positive. However it is too early to conclude the impact of FamiCafé as the sample size and operation days is still small.

We believe the halal certified Famicafé that serves food and drinks with enhanced seating area will meet the evolving needs and satisfaction of all Malaysians.

Thank you