



DRIVING VALUE THROUGH TECHNOLOGY & INNOVATION



全利資源有限公司
Resources Berhad

REPLY TO MSWG QUESTIONS & QUESTIONS RECEIVED FROM PROXY/ SHAREHOLDERS

Mr. Kang Boon Beng, Chief Financial Officer

28th Annual General Meeting
28th August 2025

Question No.1:

The Group finalised the acquisition of an adjacent vacant land to support future chilled food production expansion. The Group is also planning the conversion of a section of its shrimp plant in Kota Kinabalu into surimi-based products production, further optimising capacity and product mix. (Source: Page 21 of IAR 2025)

- a) What is the estimated cost of acquiring and developing the new land, and what is the expected return on investment (ROI)?
- b) What are the expected implications of the surimi production expansion on current shrimp processing capacity? How does the Group plan to avoid overlap between the surimi and shrimp product lines?
- c) How does the Group monitor and mitigate risks related to schedule delays and cost increases in the development and conversion processes

Q1 Answer:

- a) A vacant industrial land adjacent to our Lian Hoe operations in Johor was acquired at about RM3mil, planning for the development is in progress.
- b) Partial conversion of the shrimp plant into surimi-based product expansion is expected to optimize the production facility in line with market demand and further extend the downstream value chain of our shrimp product.
- c) The responsible director is tasked to ensure ongoing expansion or conversion project are carried out in a timely manner and closely monitored against budget to ensure minimal disruption to project progress and existing production.

Question No.2:

During the year, the Group had a net increase of 50 new FamilyMart stores and 50 new FM Mini vending machines. This included the continued extension into the East Coast of Peninsular Malaysia and underserved areas to improve market accessibility and brand presence (Source: Page 25 of IAR 2025).

- a) What is the projected contribution of the newly opened FamilyMart stores and FM Mini vending machines to the overall revenue and profitability of the Consumer Products & Services (CPS) segment? In view of this expansion, has the Group revised its growth projections for the CPS segment?
- b) How does the Group determine suitable locations for new FamilyMart outlets and FM Mini machines, especially in areas with limited market penetration? What approach does the Group adopt to determine if there is enough demand at a potential location?

Q2 Answer:

- a) The new outlet and vending machine additions are in line with our long-term target of 600 outlets by FY2027. While the Group does not typically provide financial projections, we strive to deliver double-digit annual revenue growth in our Convenience Store Chain (CVS) segment.
- b) The Group adopts a data-driven and disciplined approach in identifying potential locations for its new outlets and vending machines. Factors such as population density, traffic flow and demographic profiles are taken into consideration when evaluating a location's demand profile.

Question No.3:

The complete lifting of egg subsidies and price controls from 1 August 2025 onwards is anticipated to impact consumers initially but prices will normalise according to market forces. QL will leverage its economies of scale, operational discipline and marketing efforts to continue providing affordable protein sources for the nation. (Source: Page 29 of IAR 2025)

- a) With the recent removal of egg price controls, how does the Group plan to address price sensitivity among lower-income consumers while ensuring the Group remains profitable?
- b) Is the Group exploring product diversification or targeted promotional strategies to sustain market share during this transition period?

Q3 Answer:

- a) With the removal of egg subsidy and price control, the Group remains focused on ensuring economy of scale and optimizing productivity as well as further improving branded eggs sales to stay profitable. This will be further supported by lower feed cost attributed to down trending commodity prices and strengthening of the Ringgit Malaysia. In addition, the Group will participate in government initiatives to support lower-income consumers.
- b) The Group will continue to expand branded eggs market share with a broader range of nutrient enhanced eggs, increased direct distribution reach and intensified branding and marketing efforts.

Question No.1:

In FY2025, the total cost incurred for the internal audit function was RM1,195,000 (FY2024: RM735,000).
(Source: Page 115 of IAR2025)

We note QL's reply letter dated 4 September 2024 that the increase in internal audit cost reflects expanded scope and in-house capabilities, with future cost growth expected from enhanced coverage, including sustainability assurance.

Given the sharp increase in internal audit costs from RM735,000 in FY2024 to RM1.195 million in FY2025, could the Board provide a detailed breakdown of this cost, specifically separating allocations for in-house staffing, outsourced services and new areas such as sustainability assurance?

CG Q1 Answer:

The In-House internal audit team headcount has grown in line with the amount of audit works which includes review on sustainability data. As for the outsourced internal audit, the fee structure has risen and at the same time, additional assignment and increased complexity of scope have overall contributed to the increase in fee quantum.

Breakdown (RM)	FY25		FY24	
In-House	840,148	70%	460,033	63%
Outsourced	354,852	30%	274,967	37%
Total	1,195,000	100%	735,000	100%

Question No.1:

In FY2025, over 50% of the Company's total procurement spend was allocated to local suppliers. However, due to the unavailability of certain raw materials, particularly those used in animal feed, the Integrated Livestock Farming operations often need to source internationally to meet production demands and maintain a consistent supply chain. (Source: Page 68 of IAR 2025)

- a) What is the percentage of imported raw material sourced from a single country?
- b) To what extent does reliance on imported raw materials for animal feed affect the Group's overall procurement costs and supply chain resilience? What specific steps has the Group taken to manage exposure to price volatility and ensure a resilient supply chain?

Sustainability Q1 Answer:

- a) We source our feed raw materials from various region in the world. In FY2025, approximately 80% of corn and soybean meal are from Argentina as they are competitive and provide better value.
- b) Corn & soybean meal are widely used in animal feed which can't be sourced locally are subjected to the fluctuations of global commodity prices and foreign exchange rates which will affect our procurement cost correspondingly.

Through the Group's feed raw material trading arm, the Group maintains multiple sourcing options with various suppliers globally to ensure competitive pricing and minimal disruption to supply chain. In addition, the Group is also guided by its internal hedging policy when making forward purchases of these raw materials to minimize impact of pricing volatility.



Questions received from proxy/shareholders

**DRIVING VALUE THROUGH
TECHNOLOGY & INNOVATION**

Questions received from proxy/shareholders

Question: Sushi Mentai Chain Is doing well. I think it complements family mart. Will BOD consider entering the local japanese F&B/dining industry?

Answer: As a key player in the food industry, we remain open to explore opportunities that align with our core competencies and deliver sustainable value to our shareholders.

Thank You



**DRIVING VALUE THROUGH
TECHNOLOGY & INNOVATION**