

FOR IMMEDIATE RELEASE

QL revenue rises 20% YOY; Clean Energy and FamilyMart catalyse next growth phase

KUALA LUMPUR, 30 May 2022 – QL Resources Berhad (QL) today announced a 20% top-line growth to RM5.2 billion for the financial year ended 31 March 2022 (FY2022). Its two largest business pillars of Integrated Livestock Farming and Marine Products Manufacturing recorded RM2.7 billion and RM1.2 billion revenue respectively for the year.

Year-on-year (YOY) profit before tax (PBT) stood at RM321 million, dragged down by super high raw material price, rising fuel cost and disrupted operations. After discounting the one-off remeasurement gain of RM79 million in the Palm Oil and Clean Energy business pillar, FY2022 PBT contracted 9%.

QL's three-pronged strategy of regional replication, core value chain strengthening, and downstream integration are instrumental in the company sailing through the challenging business environment of the past year. Together with the three major sustainability initiatives of conserving natural resources, integrating technology and empowering talent, QL is charting the path to achieve uninterrupted growth annually.

QL is realigning its core focus to emphasise clean energy and environmental technology in the Palm Oil and Clean Energy (POCE) business pillar. This is per the Sustainably Enhancing Performance strategy to conserve the environment and natural resources via an emphasis on Environmental, Social, and Governance (ESG) matters, and integrating technology strategic thrust. In Q4FY2021, QL consolidated Boilermech Holdings Berhad, a leading clean energy environmental technology specialist in Malaysia, as its subsidiary, increasing its exposure to the ESG sector.

Looking ahead, the Convenience Store Chain (CVS) business pillar is poised to be another catalyst for QL's growth. This pillar comprises FamilyMart retail business and QL Kitchen, a food production business. The CVS contribution to total revenue and PBT surpassed the 10% threshold in just five years and is now reported as a standalone pillar in accordance with MFRS

8.13. Turnover for CVS under the FamilyMart brand in FY2022 was RM637 million, with RM43 million PBT. Performance is expected to improve following a year impacted by movement controls, supply chain and manpower disruptions.

FamilyMart was introduced in late 2016 as a direct to customer extension of the existing food production and distribution portfolio. FamilyMart embodies *konbini* (convenience) to deliver quality and nourishing ready-to-eat and easy to prepare food. QL had anticipated the changing consumer lifestyle would increasingly demand convenience with a comfortable and enjoyable experience. The opening of FamilyMart changed consumers' expectation of convenience store chains with its new offerings every month and reception since doors opened has been consistently positive.

Testament to the *konbini* value proposition of innovating to meet customers' evolving needs, FamilyMart touchpoints now include FamilyMart Mini (FM Mini) self-service kiosks and 'Food Superstore' concept stores. Located in high traffic areas and are easily accessible, FM Mini provides a contactless and cashless interaction. The concept stores focus on ready-to-eat and frozen foods that can easily be prepared at home. Seating has been updated with seats for individuals and groups.

Adjustments made for the pandemic, there are now 290 FamilyMart stores excluding FM Mini. QL will achieve its target of 300 FamilyMart stores by mid 2022 and has set plans in motion for a further 300 stores in the next five years to bring the total to 600 stores. At the same time, 300 FM Minis are also planned by FY2026. RM100 million has been invested into QL Kitchen to support FamilyMart's growth.

FamilyMart's central kitchen operated by QL Kitchen since 2016 is certified halal by Jabatan Kemajuan Islam Malaysia (JAKIM).

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About QL Resources Berhad

QL is a sustainable and scalable multinational agro-food producer operating four principal activities, namely Marine Products Manufacturing, Integrated Livestock Farming, Palm Oil and Clean Energy, and Convenience Store Chain (FamilyMart). The company produces resource-efficient protein nourishments via operational footprints in Malaysia, Indonesia and Vietnam, which hold international certifications. QL's products hold various recognised certifications and are distributed domestically and across Asia, Europe, and North America. Anchored in the culture of integrity and shared value, QL is listed on the Main Market of Bursa Malaysia.