



# DRIVING VALUE THROUGH TECHNOLOGY & INNOVATION

INTEGRATED ANNUAL REPORT 2025

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# 28<sup>th</sup> ANNUAL GENERAL MEETING

### Venue:

Ballroom 1, Level 10, Courtyard by Marriott Setia Alam,  
No. 6, Jalan Setia Dagang AH U13/AH, Setia Alam,  
Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan

### Date:

Thursday,  
28 August 2025

### Time:

10.00 a.m.

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### VISION

To be the preferred global agro-based enterprise.



### MISSION

Create nourishing products from agro resources, leading to benefit for all parties.



### OUR CORE VALUES

#### Personality

- Progressive
- Trustworthy
- Initiative
- Humility

#### Values

- Integrity
- Win-Win
- Teamwork
- Innovative



### COVER RATIONALE

Driving Value  
Through Technology  
& Innovation

A dynamic digital line illustration of a hummingbird symbolises agility, adaptability and resilience, reflecting the company’s ability to thrive in an ever-changing business landscape. Just as the hummingbird moves swiftly and efficiently in multiple directions, the company continuously evolves with innovation and leads with cutting-edge technology. Carefully crafted symbols are integrated into the shape of the hummingbird to represent the company’s various business units, valuable resources and advanced technologies. These icons serve as a visual narrative and illustrate the company’s commitment to leveraging technological advances, optimising resources and expanding its market presence with precision and efficiency. The seamless fusion of digital elements and symbolic representations emphasises the company’s forward-thinking approach and its unwavering pursuit of sustainable growth.

### NAVIGATION ICON

#### Business Pillars

- Marine Products Manufacturing (MPM)
- Integrated Livestock Farming (ILF)
- Convenience Store Chain (CVS)
- Palm Oil and Clean Energy (POCE)

#### Material Matters

- |                                |                           |
|--------------------------------|---------------------------|
| Climate Change                 | Community Contributions   |
| Water Security                 | Customer Responsibility   |
| Pollution and Resources        | Supply Chain (Social)     |
| Biodiversity                   | Corporate Governance      |
| Supply Chain (Environment)     | Anti-Corruption           |
| Occupational Safety and Health | Risk Management           |
| Labour Standards               | Innovation and Technology |
| Talent Management              |                           |

#### Our Growth Strategy

- Regional Replication
- Strengthening Value Chain
- Downstream Integration
- Sustainably Enhancing Performance
- Integrating Technology
- Empowering Talents
- Enhance Branding & Product Innovation

#### Stakeholders

- Customers
- Vendors and suppliers
- Community
- Regulators and NGOs
- Employees
- Investors and shareholders
- Media

#### Capital Inputs

- Natural Capital
- Human Capital
- Manufactured Capital
- Social Capital
- Intellectual Capital
- Financial Capital



ABOUT THIS REPORT

**This Integrated Annual Report (IAR) presents material information on QL Resources Berhad (QL), including our business, operating environment, governance structure, as well as risks and opportunities that could affect our ability to create and share value.**

Our approach to value creation is anchored in our founding philosophy of “Benefit for All” (Quan Li 全利), ensuring that our business activities generate long-term, positive impact for all stakeholders.

We endeavour to provide transparent, consistent and comprehensive disclosure to enable stakeholders to make meaningful comparisons and understand our value creation process for more informed decision-making. This is in line with our commitment to reinforcing trust and our dedication to sustainable growth and responsible business practices.

This report is for the financial year 1 April 2024 to 31 March 2025 (FY2025).

**REPORTING PHILOSOPHY AND PRINCIPLES**

We aim to provide a holistic and connected view on how we create value over time. Our IAR integrates financial and non-financial information, balancing stakeholder interests with our environmental, social, and governance (ESG) priorities. These are embedded into our strategic and operational decisions that drive long-term value creation.

The report outlines key risks and opportunities, along with the inputs, outputs and outcomes of our activities. It connects QL's past achievements, present performance, and future outlook, offering stakeholders insight into how our strategies are being implemented, business landscape and operating performance.

Our financial statements are prepared in compliance with the Malaysian Financial Reporting Standards (MFRS) and are independently audited.

In line with emerging best practices, we have also begun referencing the International Sustainability Standards Board (ISSB)'s IFRS Sustainability Disclosure Standards and have commenced preparations to report in accordance with IFRS S1 and IFRS S2.

**REPORTING FRAMEWORK AND GUIDANCE**

- Bursa Malaysia Securities Berhad Main Market Listing Requirements
- Bursa Malaysia Securities Berhad Corporate Governance Guide
- Bursa Malaysia Securities Berhad Sustainability Reporting Guide (3<sup>rd</sup> Edition)
- Malaysian Code on Corporate Governance
- International Financial Reporting Standards
- Malaysian Financial Reporting Standards

- Companies Act 2016
- Global Reporting Initiative (GRI) Standards
- International Integrated Reporting Council (IIRC) <IR> Framework
- Sustainability Accounting Standards Board (SASB)
- ISSB IFRS S1 and IFRS S2 Standards
- Task Force on Climate-related Financial Disclosures (TCFD)

**ASSURANCE**

To uphold the integrity of this report, assurance is provided through the following mechanisms:

- Internal controls and management assurance
- Internal audit and compliance
- Internal assurance (limited) by Group Internal Audit Department on sustainability matters
- External audit of financial information by KPMG PLT

**REPORTING SCOPE AND BOUNDARIES**

This IAR encompasses financial and non-financial performance of QL's operations in FY2025, providing quantifiable metrics and qualitative outcomes.

**SUSTAINABILITY STATEMENT**

We are committed to integrating ESG principles into our strategies, decisions and operations. This report highlights our sustainability goals and progress, alignment with stakeholder expectations, and contribution to the relevant United Nations' Sustainable Development Goals (SDGs).

An internal audit of the Sustainability Statement was conducted and reviewed by the Group Internal Audit Department, resulting in the issuance of a Limited Assurance Statement on page 82.

Sustainability aspects of QL's activities and how ESG considerations affect QL's stakeholders are disclosed where practicable. Onward reading about our sustainability practices is on pages 30 - 83.

**FORWARD-LOOKING STATEMENTS**

This report contains forward-looking statements that reflect our current views and expectations. These statements are subject to change due to risks and uncertainties arising from future events and evolving circumstances and should not be interpreted as guarantees of future performance. Readers are advised not to place undue reliance on these statements as actual outcomes may differ to those expressed in this report.

**MATERIAL MATTERS**

QL actively engages with both internal and external stakeholders to identify matters that can materially impact the Group's ability to create value. These are disclosed in this IAR, with more details of our Materiality Assessment provided on pages 37 - 39.

**APPROVAL BY THE BOARD**

QL's Board of Directors (Board) recognises its duty in upholding the integrity of this IAR. We believe that the report, prepared referencing the International Integrated Reporting <IR> Framework, provides a fair and accurate representation of the Group's performance, reflecting the material matters that influence QL's capacity to create, preserve, or erode value over time.

This report was approved by the Board on 10 July 2025.

**Dr. Chia Song Kun**  
Executive Chairman

**Mr. Chia Song Kooi**  
Group Chief Executive Officer

PRINCIPAL ACTIVITIES

**QL operates integrated, scalable, and resource-efficient value chains that transform agro-based resources into nourishing protein sources to support a growing global population. We contribute to local food security while serving global markets through internationally certified operations in Malaysia, Indonesia and Vietnam.**

Our business is structured around four synergistic pillars that are complementary and contribute to QL's economic resilience, operational sustainability and long-term value creation.

**MPM**

We produce high-quality, nutritious and convenient marine-based products. Our integrated value chain spans aquaculture, deep-sea fishing, value-added processing, fishmeal, surimi and surimi-based production, and ready-to-cook offerings. QL is recognised as Southeast Asia's leading producer of surimi-based food products.

**ILF**

ILF delivers accessible, affordable, and nutritious protein through a vertically integrated value chain that comprises upstream activities of feed and raw material trading, feed milling, down to layer farming, and broiler integration. We uphold strict biosecurity protocols and adopt best practice to ensure sustainable and responsible production.

**CVS**

Through FamilyMart, we deliver wholesome ready-to-eat (RTE) and ready-to-cook (easily prepared) meals tailored to modern preferences. This direct-to-consumer channel enhances our food production and distribution capabilities through innovative formats such as FM Mini vending machines, halal-certified FamiCafés, and FamilyMart stores.

**POCE**

This pillar supports our environmental, social and governance (ESG) ambitions by offering comprehensive climate solutions, including bioenergy, renewable energy, and water treatment. In palm oil, we manage 16,000 hectares of estate land and provide milling services to independent smallholders.



2025 KEY HIGHLIGHTS

2025 KEY HIGHLIGHTS



## OUR PRESENCE



### INTEGRATED LIVESTOCK FARMING (ILF)



**1**  
**QL RESOURCES BERHAD**  
**QL AGRIFOODS SDN. BHD.**  
**QL FEED SDN. BHD.**  
**QL INTERNATIONAL PTE. LTD.**  
 No. 16A, Jalan Astaka U8/83,  
 Bukit Jelutong,  
 40150 Shah Alam, Selangor, Malaysia.  
 Tel : +603 7801 2288  
 Fax : +603 7801 2222  
 URL : [www.ql.com.my](http://www.ql.com.my)

**2**  
**PACIFIC VET GROUP (M) SDN. BHD.**  
**QL PACIFIC VET GROUP SDN. BHD.**  
 No. 886-C8, Jalan Subang 9,  
 Taman Perindustrian Subang,  
 47600 Subang Jaya, Selangor, Malaysia.  
 Tel : +603 8024 9508  
 Fax : +603 8024 9634  
 Email : [pvgm@pacificvet.com.my](mailto:pvgm@pacificvet.com.my)

**3**  
**QL POULTRY FARMS SDN. BHD.**  
 Lot 1338/5, Pajam,  
 71700 Mantin,  
 Negeri Sembilan, Malaysia.  
 Tel : +606 758 7377  
 Fax : +606 758 7385  
 URL : [www.qlleggs.com](http://www.qlleggs.com)

**4**  
**QL AGROFOOD SDN. BHD.**  
**QL AGROVENTURES SDN. BHD.**  
 Mile 6.5, Off Jalan Tuaran, Inanam,  
 88450 Kota Kinabalu, Sabah, Malaysia.  
 Tel : +6088 422 604  
 Fax : +6088 421 943

**5**  
**QL AGRORESOURCES SDN. BHD.**  
**QL LIVESTOCK FARMING SDN. BHD.**  
 Tingkat 1, Sublot 2490 Fortune Land,  
 Jalan Rock, 93200 Kuching,  
 Sarawak, Malaysia.  
 Tel : +6082 252 760  
 Fax : +6082 410 646

**6**  
**QL FARMS SDN. BHD.**  
**QL BREEDER FARM SDN. BHD.**  
**QL TAWAU FEEDMILL SDN. BHD.**  
 TB 50 & 51, Mile 5, Apas Road,  
 91000 Tawau, Sabah, Malaysia.  
 Tel : +6089 917 711/  
 +6089 917 722/  
 +6089 917 733  
 Fax : +6089 912 045/  
 +6089 913 482  
 Email : [qltawauhq@ql.com.my](mailto:qltawauhq@ql.com.my)

**7**  
**QL ANSAN POULTRY FARM SDN. BHD.**  
 Lot 2053,  
 MK Sidam Kanan, Kg. Paya Union,  
 09400 Padang Serai,  
 Kedah, Malaysia.  
 Tel : +604 403 2526  
 Fax : +604 403 4534  
 Lot 401, Kuala Garing,  
 48000 Rawang, Selangor, Malaysia.  
 Tel : +603 6092 6193

**8**  
**PT. QL FEED INDONESIA**  
**PT. QL AGROFOOD**  
 Jl. Pangkalan VI No. 100 RT. 003/RW 006  
 Kel. Ciketingudik, Kec. Bantargebang,  
 Bekasi, Jawa Barat,  
 17153 Indonesia.  
 Tel : +62 21 2296 7444  
 Fax : +62 21 3396 7437

**9**  
**QL VIETNAM AGRORESOURCES LIABILITY LIMITED CO.**  
**QL FEEDINGSTUFFS VIETNAM LIMITED LIABILITY CO.**  
**QL FARMS (TAY NINH) LIABILITY LIMITED CO.**  
 18 Cong Hoa, Ward 4,  
 Tan Binh District, Ho Chi Minh City  
 (Warehouse No.6), Vietnam.  
 Tel : +84 28384 25131/  
 +84 28384 28435/  
 +84 28384 28437  
 Fax : +84 28384 28434  
 URL : [www.qlvietnam.com.vn](http://www.qlvietnam.com.vn)

## OUR PRESENCE

**10**  
**QL ECO FARM SDN. BHD.**  
 PT 4642, Kg. Sungai Klau, Mukim Gali,  
 27630 Raub, Pahang, Malaysia.  
 Lot 2484, Jalan Tras,  
 27600 Raub,  
 Pahang, Malaysia.  
 Tel : +6012 811 9131/  
 +6017 811 9363

**11**  
**LIAN FOO POULTRY FARM SDN. BHD.**  
 21 M/S, Air Hitam Ulu,  
 Masjid Tanah, 78300 Melaka, Malaysia.  
 Tel : +606 556 1900  
 Email : [lianfoopoultry@gmail.com](mailto:lianfoopoultry@gmail.com)

### MARINE PRODUCTS MANUFACTURING (MPM)



**1**  
**QL MARINE PRODUCTS SDN. BHD.**  
**QL AQUAMARINE SDN. BHD.**  
**QL DEEP SEA FISHING SDN. BHD.**  
 CL045081687, Kampung Bolong  
 89200 Tuaran, Sabah, Malaysia.  
 Tel : +6088 791 866/  
 +6088 791 833  
 Fax : +6088 787 166  
 URL : [www.qlmarine.com.my](http://www.qlmarine.com.my)

**2**  
**QL ENDAU MARINE PRODUCTS SDN. BHD.**  
**QL ENDAU DEEP SEA FISHING SDN. BHD.**  
**QL ENDAU FISHMEAL SDN. BHD.**  
**RIKAWAWASAN SDN. BHD.**  
 No. 11, Jalan Merlimau,  
 86900 Endau, Johor, Malaysia.  
 Tel : +607 794 3814/  
 +607 794 4087  
 Fax : +607 794 4088  
 URL : [www.qlendau.com.my](http://www.qlendau.com.my)

**3**  
**QL FIGO (JOHOR) SDN. BHD.**  
 Lot 3627, Jalan Harmoni 1,  
 Taman Harmoni, Batu 22,  
 81000 Kulai, Johor, Malaysia.  
 Tel : +607 663 7388  
 Fax : +607 663 6780

**4**  
**QL LIAN HOE SDN. BHD.**  
 No. 4, Jalan Penaga 9,  
 Kawasan Perindustrian Kota Putri,  
 81750 Masai, Johor Bahru, Malaysia.  
 Tel : +607 387 5745/  
 +607 387 5700  
 Fax : +607 386 1629  
 Email : [sales@lian-hoefood.com.my](mailto:sales@lian-hoefood.com.my)  
 URL : [www.lian-hoefood.com.my](http://www.lian-hoefood.com.my)

**5**  
**QL FOODS SDN. BHD.**  
 Lot 9120 & 9121, Jalan Tepi Sungai,  
 36400 Hutan Melintang, Perak,  
 Malaysia.  
 Tel : +605 641 5805/  
 +605 641 7954  
 Fax : +605 641 2257  
 URL : [www.qlfoods.com](http://www.qlfoods.com)

**6**  
**QL FISHMEAL SDN. BHD.**  
 Lot 164, 2647 & 3314,  
 Jalan Tepi Sungai,  
 36400 Hutan Melintang, Perak,  
 Malaysia.  
 Tel : +605 641 2752/  
 +016 526 7365  
 Fax : +605 641 1042

**7**  
**PT. QL HASIL LAUT**  
 Jl. Raya Deansdles KM.81.25,  
 Desa Sedayulawas,  
 Kecamatan Brondong-Kabupaten,  
 Lamongan 62263, Jatim-Indonesia.  
 Tel : +62 322 662 828  
 Fax : +62 322 663 222

**8**  
**KEMBANG SUBUR SDN. BHD.**  
 58-1, Jalan Temenggung 13/9,  
 Bandar Mahkota Cheras,  
 43200 Cheras, Selangor, Malaysia.  
 Tel : +603 9011 9635/8935  
 Fax : +603 9011 9935  
 Email : [info@kembangsubur.com.my](mailto:info@kembangsubur.com.my)

### PALM OIL AND CLEAN ENERGY (POCE)



**1**  
**BM GREENTECH BERHAD**  
**HEAD OFFICE:**  
 Lot 875, Jalan Subang 8,  
 Taman Perindustrian Subang,  
 47620 Subang Jaya,  
 Selangor Darul Ehsan, Malaysia.  
 Tel : +603 8023 9137  
 Fax : +603 8023 2127  
 URL : [www.bmgreentech.com](http://www.bmgreentech.com)

**2**  
**PT. PIPIT MUTIARA INDAH**  
 Jl. Slamet Riady RT, 26/123,  
 Tarakan, Kalimantan Utara.  
 Tel : +62 551 24 328  
 Fax : +62 551 32 667

**3**  
**QL OIL SDN. BHD.**  
**QL PLANTATION SDN. BHD.**  
**QL TAWAU BIOGAS SDN. BHD.**  
 TB 50 & 51, Mile 5, Apas Road,  
 91000 Tawau, Sabah, Malaysia.  
 Tel : +6089 917 711/  
 +6089 917 722/  
 +6089 917 733  
 Fax : +6089 912 045/  
 +6089 913 482  
 Email : [qltawauhq@ql.com.my](mailto:qltawauhq@ql.com.my)

### CONVENIENCE STORE CHAIN (CVS)



**1**  
**QL CONVENIENCE RETAIL SDN. BHD.**  
**QL MAXINCOME SDN. BHD.**  
**QL KITCHEN SDN. BHD.**  
**QL FRESH CHOICE SEAFOOD SDN. BHD.**  
 No. 16A, Jalan Astaka U8/83,  
 Bukit Jelutong,  
 40150 Shah Alam, Selangor, Malaysia.  
 Tel : +603 7801 2288  
 Fax : +603 7801 2222  
 URL : [www.ql.com.my](http://www.ql.com.my)



# CHAIRMAN'S STATEMENT



## DR. CHIA SONG KUN

Executive Chairman

Dear Shareholders,

**FY2025 presented another year of both opportunity and challenge. Economic growth globally remained moderate, weighed down by geopolitical tensions, persistent core inflation, tighter monetary policy, uncertain trade flows, volatile commodity prices, and increasingly erratic weather patterns.**

Navigating this challenging landscape, QL remained focused on being a reliable provider of affordable, high-quality sources of protein to nourish society. Guided by our 4C approach and executing with discipline, we progressed on our promise to deliver value for stakeholders through our integrated value chains.

### ► Delivering Value Across Business Pillars

QL turned in another resilient year for the financial year ended 31 March 2025. Year-on-year (YOY) revenue increased to RM7.05 billion, up RM395.64 million to breach the RM7 billion mark for the maiden time. Profit before tax (PBT) meanwhile was recorded at RM665.87 million, a RM39.34 million increase.

The performance underscores our diversified model and integrated value chain. Our four business pillars of MPM, ILF, CVS and POCE are distinct yet complementary, and they enable QL to capture synergies, optimise supply chain efficiencies, and adapt to evolving market conditions.

The Business Review section provides a more detailed reading about our strategy execution, operational developments and financial performance by business pillar.

In addition to economic metrics, which are important for any business, we take into consideration ESG matters into our overall value creation process.

This holistic approach to the value creation process resulted in QL retaining our recognition as one of the Best Managed Companies for the second year running by Deloitte. We were evaluated on four core pillars – strategy, capabilities and innovation, culture and commitment, as well as governance and financials – by a panel of independent and multi-disciplinary judges.

### ► Strengthening Our Contribution to National Priorities

We continue to play our role in national food and energy security. QL produced 1.50 billion standard protein servings and served up 22.20 million meals in FY2025, to help meet daily nutritional needs.

We also aligned our actions with the country's energy transition and climate ambitions. From investing in solar energy capacity at key production sites and expansion of capability offerings to promoting energy-efficient solutions, QL is playing a meaningful role in Malaysia's journey towards a low-carbon, climate-resilient economy. Through our subsidiary, BM GreenTech Berhad (BM GreenTech), we achieved a record 49 MWp in installed capacity for residential and business customers in FY2025.

### ► Advancing Our Sustainability Agenda

In FY2025, we made meaningful strides in environmental and social outcomes as we continue to integrate ESG considerations into our operations.

We believe that setting targets alone is not enough. It must be followed through by accountability and concrete actions to bring real impact. To this end, we reinforced our sustainability commitments by linking ESG key performance indicator (KPI) targets, specifically greenhouse gas (GHG) intensity and Lost Time Injury Frequency Rate (LTIFR) reduction targets, to executive directors' and senior management remuneration. This move made ESG core to how we operate and reward performance.

## CHAIRMAN'S STATEMENT

Our inclusion in the FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Malaysia Shariah Index validated our approach and has encouraged us to push further.

We have begun preparations for IFRS S1 and S2 standards to deepen integration of climate-related disclosures and risk management into business decisions, reinforcing our long-term resilience. The integration of ESG and enterprise risk management has helped enhance our ability to anticipate and respond to emerging issues, including supply chain disruptions, regulatory changes, and climate-related risks.

Certifications such as the Marine Stewardship Council certification and the rollout of ILF's Laboratory Information Management Systems further elevated our product quality, traceability, and compliance with global standards.

We made progress in our GHG intensity reduction towards our target, improvement in LTIFR over the previous year, water withdrawal intensity reduction and tCO<sub>2</sub>e avoidance, among others. Training hours has also exceeded the targets set. Pages 30 - 83 provide the details of our sustainability performance.

We are committed to advance in areas such as circularity, waste recovery, and biosecurity as well. The pursuit of responsible and sustainable growth is in step with our name – *Quan Li*, meaning "value for all".

## CHAIRMAN'S STATEMENT

### ► Strategic Priorities: Efficiency, Access and Innovation

We sharpened our focus on key priorities to build long-term value. Central to this is cost discipline, supported by automation, enhanced procurement strategies, and operational excellence.

We advanced our structured, three-phase digital transformation roadmap with progress across the operations. Key upgrades to enterprise systems and process automation are laying the groundwork for a digital backbone that improves traceability, responsiveness, and decision-making throughout our businesses.

ERP system upgrades have begun at MPM and will be extended to ILF too. Concurrently, we are deploying real-time monitoring and streamlined farm-to-lab processes to improve livestock management while the upcoming rollout of an upgraded enterprise sales application will boost supply chain responsiveness. Our goal is a fully integrated digital ecosystem capable of supporting future innovations such as generative AI for smarter, more autonomous operations.

At QL, acting on foresight with innovation is one of our core strengths. Our expansion into the clean energy sector proved to be a strategic move. In January, BM GreenTech was reclassified under Bursa Securities' new Renewable Energy subsector, underscoring our commitment to scalable sustainable solutions that align with both environmental and economic objectives.

To increase access to nutrition and increase touchpoints to serve a wider customer base, we launched the QL Day 1 Eggs programme, a direct farm-to-home initiative.



**QL produced 1.50 billion standard protein servings and served up 22.20 million meals in FY2025, to help meet daily nutritional needs.**



**We have begun preparations for IFRS S1 and S2 standards to deepen integration of climate-related disclosures and risk management into business decisions, reinforcing our long-term resilience.**

Simultaneously, we are accelerating brand building and visibility efforts. From MPM and ILF to CE, we are strengthening our brand presence while actively defending the strong equity of FamilyMart in CVS through innovative RTE offerings. I am delighted to update that we have teamed up with the world no. 1 badminton doubles pair, Goh Sze Fei and Nur Izzuddin, who are better known as 'FeiDin', to boost awareness of our branded eggs.

As we ramped up technology integration, we are equally focused on developing and empowering the people behind our success. Talent development, knowledge transfer, and succession planning remained a primary agenda for leadership and

business continuity. We structured and formalised our C-level leadership lineup with defined roles, improving the streamlining of business pillars and operations.

We invested in capability-building programmes with tertiary institutions, strengthened employee engagement, and continued to foster a safe, inclusive workplace that reflects QL's values.

In FY2025, we introduced the key management share grant scheme to incentivise and retain high-calibre employees aligned with QL's long-term goals. This structured commensuration prepares QL for the next generation of leadership who will helm our next phase of growth.

### ► Governance and Stewardship in a Shifting Landscape

The Board continued to provide clear oversight and guidance amid a rapidly evolving regulatory and risk environment. We maintained strong governance practices and actively engaged with management on strategy, risk mitigation, and stakeholder expectations.

Acting with honesty and integrity, fulfilling our promises, and staying true to our principles is QL's foundation for sustainable value creation. In February 2025, we formalised a standalone Conflict of Interest Policy and Procedure applicable to all directors and key senior management across the Group. It outlines a clear framework for the timely identification, disclosure, and management of actual or potential conflicts of interest to safeguard QL's interests. The Audit Committee reviewed the declarations submitted during the year and confirmed they were in full compliance with the policy. We also reinforced our commitment to managing ESG risks throughout

## CHAIRMAN'S STATEMENT

### ► Appreciation and Acknowledgments

On behalf of the Board, I extend my heartfelt thank you to our board members, management, shareholders, partners, regulators and customers for their continued trust in our shared value creation.

In a year of growing complexity, it was our progressive and grounded people who kept us anchored, and I record a special thanks to the dedicated, adaptable and committed employees of QL.

On behalf of the Board and management, I would like to record our appreciation to Datin Paduka Setia Dato' Dr. Aini Binti Ideris, who retired from the Board after completing her nine-year tenure as an Independent Director. We are grateful for her insights, subject-matter expertise, and contribution to expanding QL's network of talent and knowledge.

As we look ahead, our 4C approach in our strategy will be our compass as we continue to act with discipline, responsibility, and shared purpose of nourishing lives sustainably and grow enduring value, true to the spirit of *Quan Li*.



**We introduced the key management share grant scheme to incentivise and retain high-calibre employees aligned with QL's long-term goals.**

our supply chain. We updated our Code of Business Ethics for Suppliers and Business Associates with clearer expectations on environmental accountability and impact mitigation, as well as resource efficiency. To support implementation, a self-assessment was introduced for identified high-risk suppliers.

Progress had also been made in our commitment to advancing workplace safety towards ISO 45001:2018 Occupational Health and Safety (OSH) Management System certification across our operating entities. BM GreenTech became the third entity to now hold ISO 45001:2018 certification through LRQA in FY2025.

Effective management of safety risks and opportunities is essential to maintaining a safe and healthy workplace. To this end, QL adopts the Department of Occupational Safety and Health (DOSH) Guidelines for Hazard Identification, Risk Assessment, and Risk Control (HIRARC). Taking a proactive approach to this, HIRARC assessments are conducted regularly for ongoing operations and are mandated prior to new projects, equipment procurement, material or process changes, and major organisational shifts. This ensures potential hazards are identified and mitigated early.

Our governance practices can be read on pages 103 - 111.

### ► Navigating Forward with Caution and Conviction

FY2025 was marked by both macroeconomic headwinds and sector-specific shifts, including subsidy reform, trade frictions, and currency volatility. These developments tested the resilience of many industries, including ours.

The business environment ahead is shaping up to be one filled with challenges and increasing unpredictability. Geopolitical conflicts, evolving consumer behaviours and anticipated tightening of monetary and regulatory policies will continue to test our agility. The complexity of today's landscape calls not only for acumen, but also for our adaptability, foresight, and focused execution.

QL's business model which is anchored in the production and supply of staple food, proved its resilience. The inelastic demand for basic proteins, combined with our diversified yet integrated operations across regions and segments, enable us to maintain operational stability and meet stakeholder expectations.

We will continue to leverage technology, and our strengths in talent, brand, and sustainability as enablers of long-term competitiveness and value creation.

Our digital transformation is key to this. By connecting data, systems, and people, we are building the foundation for better execution and more responsive decision-making. Over time, automation, advanced analytics and AI will enhance our ability to scale, adapt and innovate, overall strengthening our operational edge.

Navigating forward with caution and conviction means staying disciplined in execution while keeping our eyes firmly on the long view: creating value for all stakeholders. Our integrated model with expansion into adjacent industries such as renewable energy, positions us to better manage cost pressures, and ensure a more stable pricing in the midst of external volatility.



# GROUP CHIEF EXECUTIVE OFFICER'S REVIEW



## MR. CHIA SONG KOOI

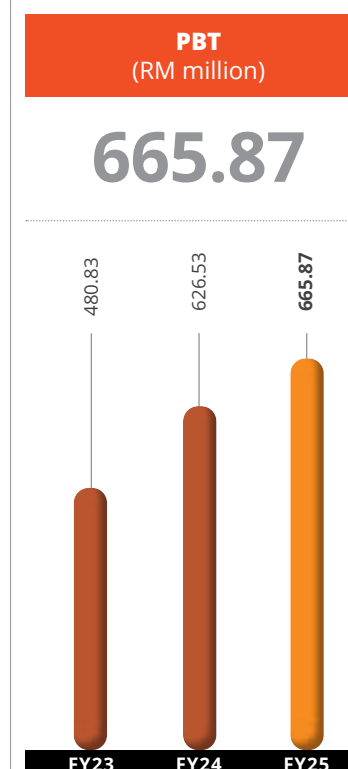
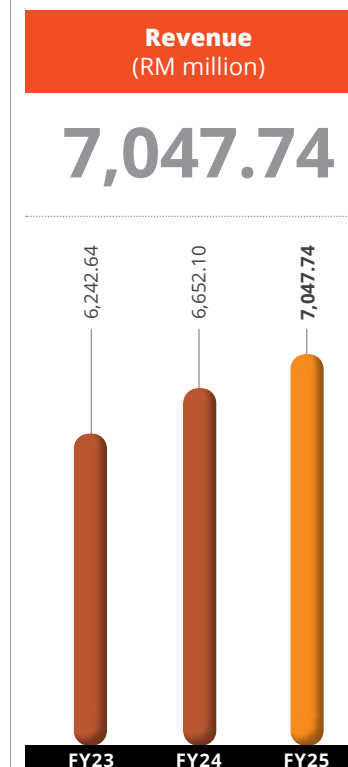
Group Chief Executive Officer

**The financial year ended 31 March 2025 unfolded against a backdrop of subdued global economic growth, but with Southeast Asia showing resilience. A busy global election cycle contributed to shifts in market sentiment, while the USD-MYR foreign exchange (forex) volatility bore down on cost structures and revenue conversion. For an agri-food producer such as QL, the environment presented both challenges and opportunities.**

Throughout FY2025, QL remained committed to our mission to nourish communities by being a reliable provider of affordable, high-quality sources of protein. Guided by principles of responsible and integrated production, we navigated a dynamic market landscape while delivering value to consumers, partners, and stakeholders.

QL proactively managed costs, mitigated risks, and pursued strategic expansion to achieve a revenue of RM7.05 billion and a PBT of RM665.87 million. Profit after tax and minority interests (PATAMI) reached RM455.08 million, representing a 3.9% YOY increase.

## GROUP CHIEF EXECUTIVE OFFICER'S REVIEW



Staying true to our mission continues to position QL as a trusted name in food security across Southeast Asia. We remain the region's leading producer of surimi-based food products, a top egg producer in our core markets, and the master franchisee of FamilyMart in Malaysia. We are also building our forte in the ready-to-cook food segment. Each of these businesses play a central role in delivering accessible and nutritious food. Beyond agri-food, we expanded our clean energy capabilities through our subsidiary, BM GreenTech's strengthened platform to contribute meaningfully to sustainable progress across industries and communities.

QL's business model is deeply aligned with global sustainability goals, and is grounded in responsible resource utilisation and circular economy principles. By integrating operations across the value chain, we minimise waste and extend the lifecycle of resources, turning by-products into new value streams. For example, organic waste from our surimi processing operations is repurposed into fishmeal for aquaculture, while chicken dung from our livestock farming is processed into organic fertiliser. This closed-loop approach not only reduces our environmental footprint but also creates economic and social value, reinforcing QL's resilience and commitment to sustainable agri-food production.

Innovation is at the heart of our growth strategy. We continued to invest in technology and research and development (R&D) to enhance our capability to produce higher value products and introduce new product ranges. Differentiated marketing and branding initiatives such as QL Day 1 Eggs, a farm-to-home delivery model, are helping to raise visibility. Meanwhile, our ongoing digitalisation provides us real-time and accurate data for analysis and insights to improve efficiency and resource planning.

Through our strong regional presence and synergistic operations, we delivered a resilient performance across all four business pillars. This reflects the robustness of our value chain and adaptability. In the MPM segment, surimi saw good performance despite challenges in upstream activities with headwinds of soft demand and lower selling price. Our continued expansion of ready-to-cook offerings with new production lines, alongside ramped-up marketing efforts supported performance. The ILF pillar remained a key earnings contributor, attributable to strong feed trading performance, lower feed costs, and government subsidies in the frame of ceiling price mechanism. The CVS segment continued expanding its FamilyMart network, including halal-certified FamiCafé outlets and FM Mini vending machines while sustaining average daily sales. The POCE segment saw transformative growth through an acquisition that expanded our clean energy capabilities and complementary climate solutions to support Malaysia's low-carbon transition agenda.

Collectively, our performance in FY2025 reflects the strength of QL's integrated business model, disciplined execution, and targeted investments in innovation and sustainability. As QL continues to evolve with market demands and regional developments, we remain anchored in our purpose of delivering long-term value while contributing to food security, renewable energy adoption, and responsible resource stewardship.



STRATEGY

STRATEGY

OUR STRATEGY TO DRIVE VALUE THROUGH TECHNOLOGY AND INNOVATION

In a world with a growing need for food and energy, QL contributes to these two sectors through continuous innovation and by prioritising talent and technology. These two sectors are age-old businesses with plenty of competition. To stand out, QL is guided by the “purple ocean” concept, which drives us to create new avenues, and niches in our product portfolio to meet growing market needs.

Our strategic framework outlines how QL grows and what core competencies will accelerate the plan. We take a long-term view, capitalising on opportunities and mitigating potential risks, as we utilise and manage capitals responsibly to provide nourishing food and climate solutions for society. The outcome is a win-win where value is created and shared.

4C APPROACH

01  
Conserve

Consolidate and optimise to unlock and enhance value

- Maintain number of fishing vessels
- Continue investing in regional ILF operations in Vietnam
- Roll out farm management system across ILF
- Divest and restructure POA businesses

02  
Continue

Nurture and expand existing successful businesses

- Scale raw materials trading
- Streamline and modernise feedmill operations in Malaysia
- Identify potential feedmill acquisition in Vietnam
- Adopt a new approach for shrimp aquaculture

03  
Core Focus

Prioritise and invest in core competencies to excel in identified segments and markets

- Expand capacity and range of value-added food products
- Evolve and grow CVS touchpoints to solidify preference as a truly ‘daily convenience store’
- Expand climate solutions capability and portfolio

04  
Cultivate

Explore and develop new business opportunities for future growth

- Widen food manufacturing integration to increase RTE supply to more channels
- Explore synergistic food business
- Develop clean energy assets
- Build up AI solutions for business use

01  
Regional Replication

Identify and replicate successful core business activities regionally

02  
Strengthening Value Chain

Strengthen our competitive advantage by integrating vertically and adjacent value chains

03  
Downstream Integration

Expand reach and product portfolio to serve new market segments and consumers directly

STRATEGIC BUSINESS GROWTH

We actively pursue new opportunities to broaden our reach and impact guided by our “purple ocean” strategy to drive sustainable growth. We allocate resources to optimise value creation through three growth models that are executed via a 4C Approach.

In FY2025, QL invested about RM300 million or 4.3% of revenue to grow our businesses strategically.

STRENGTHENING CORE COMPETENCIES

We continuously improve operational efficiency and risk management to maintain our competitive edge. Our business objectives are facilitated by four key enablers and we focus on reinforcing these enablers for long-term resilience.

01  
Sustainably Enhancing Performance

Embed responsible practices to generate positive value for economy, environment, and society

- Continue and strengthen regular biosecurity measures and audits
- Integrate farm-to-lab processes for proactive and responsive data-driven actions

• Adopt DOSH-recommended HIRARC template across business units for risk management and safe workplaces

• Extend the use of renewable energy at operation sites

02  
Integrating Technology

Leverage digital tools and technology to improve efficiency and decision-making

- Roll out ERP system modernisation
- Automate data collection to improve data quality

• Strengthen data foundation via integrated Data Warehouse for improved reliability

• Upgrade and streamline knowledge management applications for information harmonisation and retention

03  
Empowering Talents

Develop a thriving workforce with a culture of innovation and excellence, grounded in QL values

- Evolve organisational structure to pave the way for skills adaptation

• Streamline processes to enhance cross-functional collaboration between teams and operations

• Equip employees with analytical and system-specific skills

• Promote continuous learning

04  
Enhance Branding and Product Innovation

Drive innovation through R&D and build trusted, resilient brands through certifications for quality and safety

- Maintain food quality and safety certifications
- Intensify branding via differentiated approaches

• Increase visibility of QL-branded eggs and marine food products

• Diversify distribution channels for wider reach

• Continuously innovate and expand product range to meet evolving lifestyles

## SIGNIFICANT RISKS &amp; OPPORTUNITIES

## MARKET RISK

The risk is driven by events such as trade wars, wars and disputes arising from global, regional and domestic politics. Recently, the level of uncertainties had increased significantly due to the frequent policies changes by U.S which can sometimes be disruptive. This may potentially lead to:

- Adverse impact on economy in general
- Disruption of global supply chain, hence food insecurity (i.e. shortages & price escalation)
- Negative consumer sentiments toward certain business segments affecting their choice of products
- Volatile foreign currency fluctuation & commodity pricing environment

## ► Mitigation Measures

- Close monitoring of global & regional events through various channels and conduct swift assessment and respond where appropriate
- Regular management meetings are held to review market data, deliberate on the current events and making commodity trading and currency related decisions
- Diversification of market and source of key supplies where necessary
- Hedging process is in place to mitigate any impact that may arise from foreign currencies fluctuation

## ► Opportunities

- Reduced reliance on any single region and leveraging alternative supply sources can lead to long term cost savings and mitigate suppliers concentration risk
- Opening up new markets to capture growth opportunities and attract new business partners
- Increased adoption of business intelligence (BI) tools, fostering data-driven decision making culture and agile management style that is responsive to changes in the macroenvironment

## Material Matters

RM

## Capital Inputs



## Stakeholders



## OPERATIONAL RISK

## Disease

Disease outbreak is an industry risk which may lead to lower productivity, and higher mortality rate, leading to losses in poultry farms and aquaculture.

## Power Failure

Any interruption or loss of electricity supply to major equipment can cause high mortality in chicken houses, leading to losses in poultry business.

## Public Perception Risk

Negative publicity or unfavorable commentary made sensational in the public domain in worst case scenario may lead to unwanted consumer backlash including boycotts of specific brands or products.

## ► Mitigation Measures

- Robust biosecurity monitoring and response mechanism covering activities such as vaccination, regular serology testing, PCR test on chicken and environment to detect presence of pathogen
- Periodic compliance audit to ensure that farms uphold biosecurity procedures
- Periodic training to ensure high level of biosecurity awareness and culture among employees
- Setup internal standards for electrical system with redundancies to mitigate unplanned outage
- Robust preventive maintenance to the electrical system and testing functionality of the power generator
- Implementation of periodic drills in order to respond appropriately during emergency
- Close monitoring of public news, market trends, internal sales data and customer feedback to enable early detection, intervention and resolution of issues. Also, crisis management framework is in place to minimise impacts during critical events

## ► Opportunities

- Continually enhancing robust, high-standard biosecurity protocols could establish QL's unique competitive advantage

## Material Matters

CC SCE CR RM

## Capital Inputs



## Stakeholders



## IT SECURITY RISK

Poor IT risk management may introduce vulnerabilities such as data security breaches, operational disruptions, potential intrusion/attacks, (e.g. ransomware, phishing & malware). Thus, adversely affect the Group's reputation, business and financial loss.

## ► Mitigation Measures

- Continuous enhancement of Group-wide IT Security governance
- Introduction of new ERP system
- Implementation of program and initiatives such as intrusion detection & prevention, disaster recovery program & periodic penetration test

## ► Opportunities

- Robust IT security measures can enhance trust and confidence of stakeholders
- Continuously modernising IT infrastructure enhances data analytics and insights, while supporting business growth and future scalability

## Material Matters

CR IT RM

## Capital Inputs



## Stakeholders



## SIGNIFICANT RISKS &amp; OPPORTUNITIES

## ENVIRONMENTAL RISK

Failure to comply with the environmental legislation (e.g., biodiversity impacts, air emissions and waste discharges, etc.) may lead to fines and penalty, reputational damage and adversely impact surrounding environment. In addition, the Group's fishery units are faced with situation of potential depleting fish resources where occurrences of low fish cycle could be caused by climate change.

*Note: Climate risk assessment had identified exposure to physical and transition risks which are discussed in the Sustainability Statement's Climate Change section on page 41.*

## ► Mitigation Measures

- Close monitoring and strict compliance with relevant regulations including Environmental Quality Act, 1974
- Continuously reviewing and enhancing fishing vessels' facility and technology in order to improve the catch rate
- Diversifying to alternative ingredients

## ► Opportunities

- Capitalising on QL's subsidiary i.e. BM GreenTech's industry leading capabilities to build & implement environmental solutions internally and for other businesses, expanding into a new revenue stream for QL
- Developing new food products range with alternative ingredients to capture new market

## Material Matters

CC SCE WS PR RM SCS

## Capital Inputs



## Stakeholders



## COMPLIANCE RISK

## Halal Compliance

Halal certification attests that a product manufactured in full compliance with the precepts of Islamic Law. Halal non-compliance will affect the Group's reputation and lead to loss of business.

## Bribery

However unlikely it is in the industries QL is operating in, any bribery incident risk stiff penalties. In addition, it could have serious impact on Group's reputation and business growth.

## ► Mitigation Measures

- Implementation and development of Halal Assurance Management System (HAMS) and adherence to JAKIM requirement
- Regular internal reviews and external audits
- Halal awareness training are periodically provided to employees
- Complying fully with the Group's Anti-bribery Framework and related regulatory requirements
- All the employees including directors are required to acknowledge and abide by the employees code of conduct
- Periodic anti-bribery awareness training & communications are provided to all the employees

## ► Opportunities

- Strengthen market position and expand access in markets that prioritise Halal-certified products including overseas market
- Fostering a culture of integrity and ethical behavior leads to better employee engagement and morale

## Material Matters

CR SCS CG AC RM

## Capital Inputs



## Stakeholders



## FOOD SAFETY RISK

Food production processes are exposed to various sources of contamination which may be caused by factors such as hygiene, quality of input material, pest etc. Lack of proper food safety standards could affect the Group's reputation and lead to sales & financial losses.

## ► Mitigation Measures

- Adoption of various food quality and safety certifications across industries such as HACCP, GMP, MeSTI, Halal and FSSC 22000, ISO22000, myGAP and Fish Quality Certificate
- Regular internal and external audits
- The use of technology to minimise human contact as well as to detect potential product contamination

## ► Opportunities

- Continuous enhancement of food safety standards to retain consumer trust and loyalty
- Increased adoption of automation & technology to reduce human contact and minimise contamination further improves operational efficiency and food safety standards

## Material Matters

CR SCS RM

## Capital Inputs

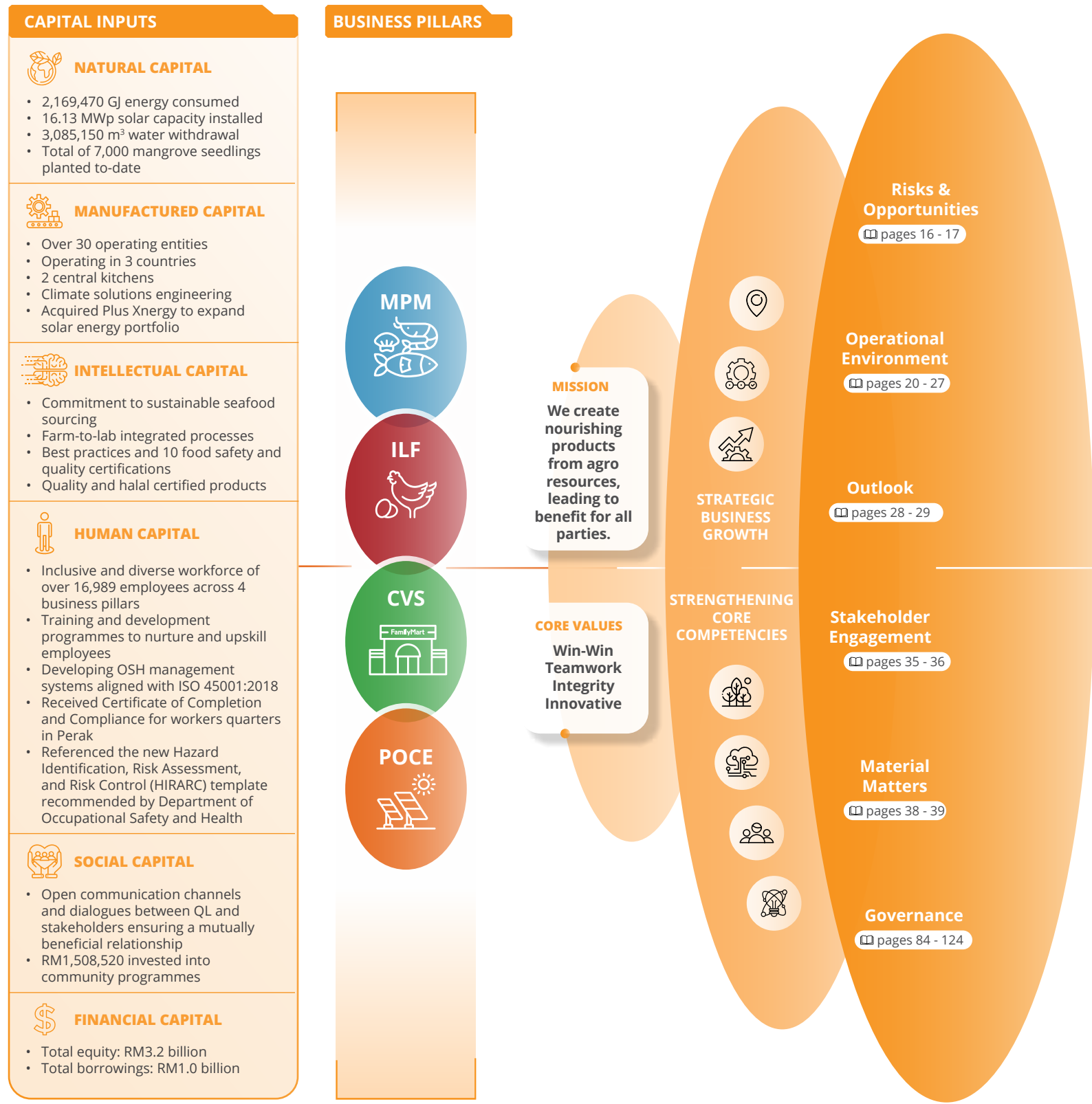


## Stakeholders





# VALUE CREATION BUSINESS MODEL



# VALUE CREATION BUSINESS MODEL



OUR VISION

TO BE THE PREFERRED GLOBAL AGRO-BASED ENTERPRISE.

- Regional Replication
- Strengthening Value Chain
- Downstream Integration
- Sustainably Enhancing Performance
- Integrating Technology
- Empowering Talents
- Enhance Branding & Product Innovation

Note:  
<sup>^</sup> Information as per scope outlined in the Sustainability Statement  
<sup>1</sup> Based on average protein serving of 26g (recommended average daily protein intake by USDA Dietary Guidelines), computed using production volume for MPM and ILF businesses  
<sup>2</sup> Computed using CVS meal production and based on the average 2,000 daily calorie intake recommended by the Ministry of Health Malaysia, over three meals  
<sup>3</sup> Restated figures using updated methodology of calculation to actual product nutritional value from the category average used in FY2024





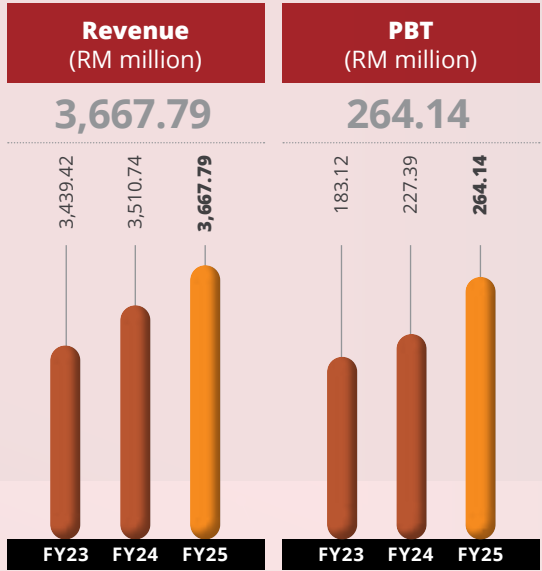
BUSINESS REVIEW

INTEGRATED LIVESTOCK FARMING (ILF)



The ILF business focuses on sustainable food production to support food security in Southeast Asia through operations in Malaysia, Indonesia, and Vietnam. As a vertically integrated value chain, ILF spans animal feed raw material trading, commercial feed milling, layer farming for eggs and broiler integration. This approach enables resource optimisation, operational efficiencies, and environmental footprint reduction, while ensuring a reliable supply of affordable, quality protein in the region.

QL modernised this core business by incorporating technology and farm management systems into the daily operations, and maintained strict biosecurity standards to improve productivity and uphold the safety and integrity of our products. These efforts are reinforced by multiple third-party validations, underscoring our commitment to quality, safety and sustainability.



ILF VALUE CHAIN

- Animal feed raw material trade
- Commercial feed milling
- Layer farming (eggs)
- Broiler integration (Day Old Chicks (DOCs), broiler chickens)

ILF ASSETS

- 15 operating entities

KEY DEVELOPMENTS



Continued farm management system rollout



Adopted Laboratory Information Management System (LIMS) in the lab



Collaboration with UPM to enhance mutual R&D advancement

Financial Performance

ILF yielded positive performance according to expectations outlined in our previous IAR as we sustained our growth trajectory. Revenue rose 4.5% to RM3.67 billion and PBT expanded 16.2% to RM264.14 million. ILF is QL's largest contributor, accounting for 52.0% of total revenue and 39.7% of total PBT in FY2025.

Performance was lifted by strong contribution from feed raw material trading, stable feed mill volume and improved farm efficiency. Lower feed costs as well as continued cost subsidies and ceiling price mechanism from the government for Malaysia supported margins.

Operational Review



7.72 million  
epd, 11.49  
million layers  
(FY2024: 7.14 million  
epd with 11.35 million  
layers)



20.30  
million broilers  
(FY2024: 19.53  
million broilers)



50.39  
million DOCs  
(FY2024: 47.94  
million DOCs)

BUSINESS REVIEW



To support stable operations and safeguard poultry health, we strengthened biosecurity through infrastructure upgrades and innovative solutions. Key initiatives included enhancements to vehicle disinfection facilities and crate washing system. These continuous efforts aim to reduce disease risks and improve operational resilience.

We have commenced ERP system modernisation as part of a broader digital transformation to streamline workflows of operational and environmental indicators via cloud-based systems. After laying the groundwork in FY2023, our farm management system is being progressively rolled out for real-time tracking of key metrics such as livestock, feed usage, and weather conditions, enabling more informed planning and resource optimisation.

In addition, we are integrating farm-to-lab processes across farming operations to support faster, data-driven decisions. The adoption of Laboratory Information Management System (LIMS) improves laboratory workflows for better accuracy and traceability to enable proactive and responsive insights-based actions at the farms. To complement this, workforce capabilities are strengthened through in-house certification programmes and on-the-job training across all levels.

In FY2025, we expanded our collaboration with Universiti Putra Malaysia (UPM) to increase talent development with the availability of hands-on facilities. QL sponsored a layer house and 1,500-layer hens for UPM's Agriculture Faculty to advance teaching and learning of modern farming practices, while strengthening mutual research and innovation capabilities.

Challenges

ILF experienced egg and broiler market weakness in Indonesia and Vietnam, while in Malaysia, normalised supply pressured egg prices towards the end of FY2025.

Even though the price of feed raw materials, namely corn, soybean meal and wheat, trended downwards in FY2025, the USD-MYR forex swung sharply between the high of 4.797 in April and the low of 4.094 in September. This demanded close monitoring and agile response to mitigate potential negative impact.

Outlook

As noted in last year's report, Malaysia is gradually reducing, and eventually removing, egg subsidies as well as the ceiling price of eggs. The floating of egg prices will lead to margin normalisation.

Efforts are underway to expand market penetration of QL's branded eggs by increasing our direct distribution reach. We complement this with intensified branding and marketing efforts, including engaging brand ambassadors.

Across the border, Indonesia's laggard demand is anticipated to continue while egg prices in Vietnam is projected to recover.

Local broiler integration performance is expected to improve with greater productivity and price stability.

Meanwhile, forex movements and persistent uncertainties in trade policies complicate imports of feed raw materials, exposing operations to cost volatility and supply disruptions. These are compounded by geopolitical tensions which can influence commodity markets. An appreciating ringgit against the greenback may help offset import costs, providing some relief against margin pressures.

Overall, we expect a normalised performance following two years of stellar profits.

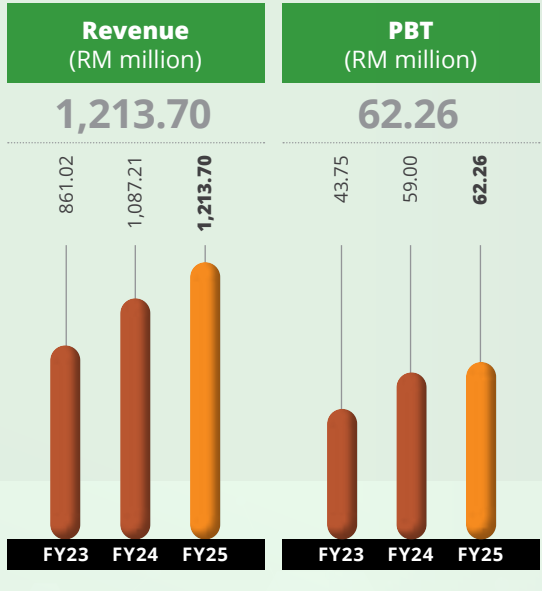
BUSINESS REVIEW

CONVENIENCE STORE CHAIN (CVS)



Founded on the *konbini* (Japanese convenience store) concept, our FamilyMart Malaysia convenience store chain is the result of a strategic extension of QL's value chain through downstream integration. It offers a direct-to-consumer platform delivering wholesome ready-to-eat (RTE) and easily prepared meals tailored to modern, on-the-go lifestyles.

FamilyMart's growing network in Malaysia now includes diverse touchpoints such as FamilyMart Mini (FM Mini vending machines), FamiCafés and FamilyMart stores. These formats are supported by our own halal-certified central kitchens under QL Kitchen, along with individual halal certifications for our FamiCafés. Complementing its physical footprint, the FamilyMart app enhances the customer experience with a seamless, rewards-driven digital purchasing experience. The CVS pillar has significantly widened QL's downstream reach while reinforcing our brand presence in the consumer market.



**CVS VALUE CHAIN**

- FamilyMart stores
- FamiCafé
- FM Mini vending machines
- Halal-certified central kitchens

**CVS ASSETS**

- **445** FamilyMart stores
- **152** FM Mini vending machines
- **215** halal-certified FamiCafé (in FamilyMart stores)
- **2** halal-certified central kitchens

**KEY DEVELOPMENTS**

- Net increase of 50 new FamilyMart stores
- Net increase of 50 new FM Mini vending machines
- Grew number of halal-certified FamiCafé by 134
- Recorded 92.6% engagement score among FamilyMart employees

**Financial Performance**

CVS sustained its double-digit growth momentum in FY2025, with revenue rising 11.6% to RM1.21 billion. PBT growth grew at 5.5%, reaching RM62.26 million.

FamilyMart's performance was supported by a net increase in customer touchpoints and ongoing efforts to improve store operation efficiency. The average sales per store remained steady even with a growing base, reflecting continued demand for convenience. The upward revisions in minimum wage and civil servant salary helped temper the effects of cautious consumer sentiment.

BUSINESS REVIEW



**Operational Review**

In line with our strategy and the spirit of *konbini*, we grew our customer touchpoints in FY2025. During the year, we 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.

To better serve evolving consumer lifestyles and enhance operational performance, we continuously innovate product and service, launching over 100 new RTE and quick-serve items. We also pursue halal certification for our FamiCafés, of which 215 are now certified by JAKIM.

Supporting our physical (location) expansion is a strong focus on building a trained and engaged workforce. Store training programmes have been structured to boost frontline performance and develop a strong pipeline of retail leaders, while our operations have all 445 outlets running on cloud and adopting AI solutions for predictive demand and fraud detection.

**Challenges**

Operational headwinds in FY2025 stemmed primarily from subdued consumer sentiment that affected store sales and challenges in recruiting frontline staff with the right skills and mindset. As footprint grows, maintaining service quality requires continued investment in talent development and operational support.

Rising input costs further weighed on margins. The rising wages, rental increases and higher costs of raw material and goods elevated our operating cost base. Additionally, expanding store formats while maintaining uniform quality standards introduced further complexity in logistics and supply chain management.

**Outlook**

Consumer sentiment continues to be cautious in light of continued subsidy rationalisation and upcoming expanded SST scope effective 1 July 2025, which will cover more non-essential goods and services.

Operating costs are rising higher due to higher rental and as wages increase. Compounding this, electricity tariff restructuring could add strain. We will evaluate options to mitigate the impact of rising cost.

Despite these, we anticipate relative resilience for FamilyMart as our product mix has always focused on convenient, RTE meals. To deepen our relevance, we are introducing local favourites such as *nasi lemak* and *mee siam*, offering service consistency, hygiene assurance, and ease of access enabled by our halal-certified central kitchens. The convenience and affordability of RTE meals may further appeal as a practical alternative to dining out at a restaurant.

Taking these factors into account and making efficiency and cost control key priorities, we strive to deliver marginally positive performance.



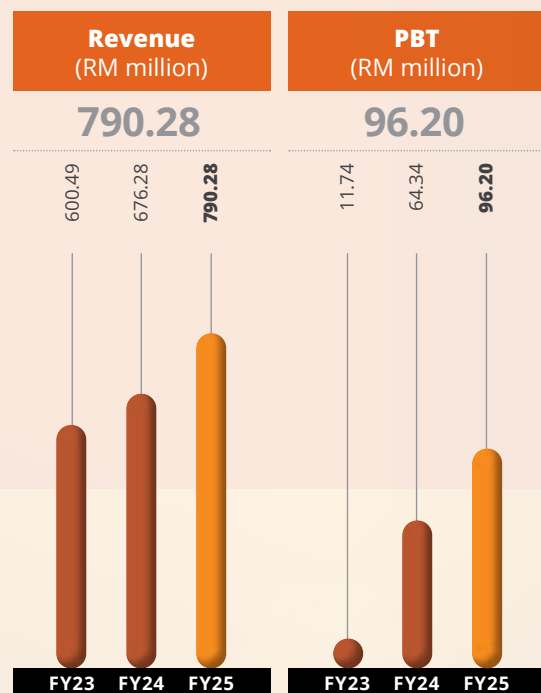
## BUSINESS REVIEW

### PALM OIL AND CLEAN ENERGY (POCE)



Our POCE pillar comprises two key segments, Palm Oil Activities (POA) and Clean Energy (CE) engineering.

The CE segment supports climate action through green technology solutions that help customers reduce their carbon footprint. Under our subsidiary BM GreenTech, this ranges from large- and utility-scale solar installations, residential solar energy systems, to bioenergy solutions and wastewater and water treatment systems. POA encompasses the provision of milling services for smallholders and the management of certified oil palm plantations. Our estates are certified under the Malaysian Sustainable Palm Oil (MSPO) and Indonesian Sustainable Palm Oil (ISPO), underscoring our commitment to responsible and traceable practices.



#### POCE VALUE CHAIN

- Bioenergy solutions
- Solar energy solutions
- Wastewater and water treatment solutions
- Oil palm plantation
- Crude Palm Oil (CPO) milling

#### POCE ASSETS

- **6** operating entities
- **16,000** hectares of oil palm estate

#### KEY DEVELOPMENTS



BM GreenTech obtained ISO 45001:2018 certification



Acquired Plus Xnergy Holdings Sdn. Bhd. to strengthen solar energy portfolio



Delivered 7 wastewater treatment solutions to treat 1.4 million m<sup>3</sup> for customers



Installed 21 raw water treatment systems to treat 1.7 million m<sup>3</sup> of water



Completed 2,415 solar projects with an installed capacity of 49.1 MWp

#### Financial Performance

POCE continued to build on the positive momentum achieved in FY2024, sustaining the growth trajectory into FY2025. Revenue rose by 16.9% to RM790.28 billion. PBT growth grew at 49.5%, reaching RM96.20 million, reflecting the stronger contribution from CE.

This strong momentum was supported by higher project deliveries in solar energy and water treatment solutions. Contribution from the acquired company flowed in and orderbook conversion

## BUSINESS REVIEW



across both commercial and industrial segments accelerated. Improved margins from bioenergy initiatives and support from lower input costs and a softer USD contributed positively. Better CPO prices and favourable foreign translation buoyed POA's performance.

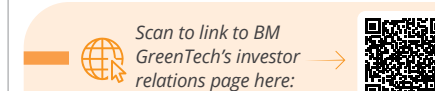
#### Operational Review

QL's CE segment directly supports the 'sustainably enhancing performance' focus of our strategy while also being able to offer solutions to other businesses.

During the year, BM GreenTech attained ISO 45001:2018 certification, signifying our commitment to improving occupational health and safety to provide safer working conditions for employees.

The acquisition of Plus Xnergy, which provides clean energy solutions for commercial, industrial, residential and large-scale solar (LSS) projects including solar farms added depth and breadth to our value proposition as a comprehensive climate change solutions leader. Our portfolio now includes a nationwide footprint of over 400 MWp of installed solar PV capacity and clean energy ecosystem comprising generation, storage, energy efficiency, electric vehicle (EV) charging solutions and smart energy solutions.

Operationally, we delivered 2,415 solar projects for customers throughout the year, totalling 49.1 MWp in capacity. We also installed 28 new water treatment systems with a combined capacity to treat 3,100 megalitres of raw water and waste water, reducing reliance on municipal supplier and contributing to water security. For further details of the FY2025 performance of our CE segment, please refer to <https://www.boilermech.com/investor-relations.html#annualreport>.



Our POA operations continued to improve on the back of higher FFB tonnage processed as CPO prices trended upward throughout the year.

#### Challenges

Climate-related disruptions, such as erratic weather patterns, as well as festive breaks impacted project delivery schedules and operational consistency.

In the POA segment, challenges included rising compliance cost from our strict adherence to responsible practices, as well as unfavourable terrain that impacted yields and Oil Extraction Rate. In the CE segment, we continued to build capacity

amid intensifying competition, especially in the rooftop solar market.

#### Outlook

The National Energy Transition Roadmap (NETR) has spotlighted solar PV installations as one of the pathways in Malaysia's national energy mix. Government's schemes such as extension of the Net Energy Metering (NEM) Rakyat incentive, and LSS6, Corporate Green Power Programme (CGPP), Third-Party Access (TPA), Community Renewable Energy Aggregation Mechanism (CREAM), and Corporate Renewable Energy Supply Scheme (CRESS) augur well for our CE segment. The uptake of EVs in Malaysia also provides opportunities as demand for charging infrastructure increase in tandem.

Malaysia's position as a data centre hub will require energy and water solutions. We have solutions for both sectors and are well positioned to support the increasing needs.

After breaching the RM4,000 mark, CPO prices are expected to remain stable. The shift towards biofuel in the US and Indonesia will support the robust vegetable oil demand, including palm oil.

We view POCE to have sunny prospects with a positive performance in FY2026.



## GROUP OUTLOOK



**The 2025-2026 growth is set to be at its slowest since 2008 as elevated trade tensions and geopolitical conflicts continue. The World Bank noted nearly 70% of economies worldwide have slashed forecasts, and it has pegged global economic growth at 2.3% for 2025, almost half a percentage point lower than expectations at the beginning of the year. In the same vein, Bank Negara Malaysia expects the nation's economic growth to be lower than the 4.5%-5.5% forecast earlier.**

On the weather front, the World Meteorological Organization predicts that temperatures will continue at or near record levels over the next five years. This increases climate risks and impacts on societies, economies and sustainable development. Shifting weather patterns affect agriculture supply chains, which are intertwined with QL's business as an agri-food producer.

Increasing food security continues to be a national agenda for Malaysia, as reflected in the larger allocation to strengthening the nation's agro-food ecosystem under the National Agro-Food Policy 2021-2030 (NAP 2.0). 60% of the food supply is imported. Notably, the country's fish self-sufficiency rate has declined from 93% in 2019 to 90% in 2022, and while over 90% of Malaysia's poultry demand is met locally, we still import substantial amounts of poultry meat.

These are areas in which QL actively operates and contributes to, delivering affordable, and nourishing food through our MPM and ILF businesses. 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 our economies of scale, operational discipline and marketing efforts to continue providing affordable protein sources for the nation.

## GROUP OUTLOOK



On the demand side, discretionary spending may erode as consumers prioritise essentials when the expanded SST comes into effect. This will have minimal impact to QL as our ILF and MPM businesses produce staples. Our CVS operations may also stand to benefit as consumers who still seek convenience opt for RTE and ready-to-cook food over dining out.

Malaysia's robust NETR and increasing emphasis on ESG principles within the corporate sector are also providing a supportive environment for our CE operations. The additional LSS and solar farm capabilities to our existing portfolio will enable us to have greater exposure in energy security projects, and translate expertise for residential customers.

Our group-wide ERP implementation is progressing steadily, improving integration and consistency across core functions. Digitalisation efforts to enable more data-driven decision making at our farming operations, and measures to improve biosecurity are also falling in line and will drive greater efficiency across our operations.

Amid these conditions, QL remains focused on creating value for society through our role as a reliable source of affordable protein and nourishing food, while supporting a just transition through our climate solutions for business and for domestic customers. With a clear strategy, integrated business model with distinct operations and disciplined execution, QL is well-positioned to navigate the challenging landscape. Our overall outlook for FY2026 is neutral, subject to factors beyond our control.