

Financial Result Announcement
Reference No. :
Company Name : XL HOLDINGS BERHAD
Stock Name : XL
Date Announced : 24/6/2021
Financial Year Ended : 31/12/2022
Quarter : 1

Quarterly report on consolidated results for the 1st quarter period ended 30/04/21
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 30/4/2021 (Unaudited)	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30/4/2020 (Audited)	CURRENT YEAR TO DATE ENDED 30/4/2021 (Unaudited)	PRECEDING YEAR CORRESPONDING YEAR ENDED 30/4/2020 (Audited)
	RM '000	RM '000	RM '000	RM '000
1 (a) Revenue	5,618	6,404	5,618	6,404
(b) Investment income	-	-	-	-
(c) Other incomes	63	84	63	84
(d) Operating expenses before finance cost, depreciation and amortisation, exceptional items and extraordinary items	(5,907)	(6,520)	(5,907)	(6,520)
2 (a) Profit/(Loss) before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	(226)	(32)	(226)	(32)
(b) Finance cost	(3)	(6)	(3)	(6)
(c) Depreciation and amortisation	(297)	(210)	(297)	(210)
(d) Impairment loss on property, plant and equipment	-	-	-	-
(e) Profit/(Loss) before income tax, minority interests and extraordinary items	(526)	(248)	(526)	(248)
(f) Share of profits and losses of associated companies	-	-	-	-
(g) Profit/(Loss) before income tax, minority interests and extraordinary items after share of profits and losses of associated companies	(526)	(248)	(526)	(248)
(h) Income tax	(47)	(22)	(47)	(22)
(i) Net profit/(Loss) for the period	(573)	(270)	(573)	(270)
(j) Other Comprehensive loss	-	-	-	-
(k) Total Comprehensive profit/(Loss) for the period	(573)	(270)	(573)	(270)
(l) Net profit/(Loss) attributable to -Owners of the parent	(573)	(270)	(573)	(270)
-Non-controlling interests	-	-	-	-
(m) Total Comprehensive profit/(Loss) attributable to -Owners of the parent	(573)	(270)	(573)	(270)
-Non-controlling interests	-	-	-	-
3 Earnings/(Loss) per share based on 2(m) above after deducting any provision for preference dividends, if any.				
(a) Basic (sen)				
- from continuing operations	(0.60)	(0.34)	(0.60)	(0.34)
- from discontinued operation	0.00	0.00	0.00	0.00
	(0.60)	(0.34)	(0.60)	(0.34)
Weighted average number of ordinary shares ('000)	95,468	79,557	95,468	79,557
(b) Fully diluted (based on ordinary shares - sen)				
- from continuing operations	(0.60)	(0.34)	(0.60)	(0.34)
- from discontinued operation	0.00	0.00	0.00	0.00
	(0.60)	(0.34)	(0.60)	(0.34)
Weighted average number of ordinary shares ('000)	95,468	79,557	95,468	79,557
4 (a) Dividend per share (sen)	NA	NA	NA	NA
(b) Dividend Description	NA	NA	NA	NA

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 January 2021 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT CURRENT FINANCIAL PERIOD ENDED 30/4/2021 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2021 (Audited)
	RM '000	RM '000
1 NON-CURRENT ASSETS		
Property, plant and equipment	35,164	35,267
Biological assets	1,576	1,513
Right-of-use assets	191	235
	<u>36,931</u>	<u>37,015</u>
2 CURRENT ASSETS		
Cash and bank balances	13,740	1,862
Fixed deposits	1,001	1,001
Trade debtors	4,704	4,457
Biological assets	1,745	1,857
Inventories	1,795	2,421
Prepayment	23	43
Other debtors and deposits	1,133	230
Tax recoverable	27	25
	<u>24,169</u>	<u>11,896</u>
TOTAL ASSETS	<u>61,100</u>	<u>48,911</u>
3 EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT		
SHARE CAPITAL	89,330	76,601
RESERVES		
Share premium	-	-
Treasury shares	(279)	(279)
Revaluation reserve	-	-
General reserve	-	-
Reserve on consolidation	-	-
Accumulated losses	(29,639)	(29,065)
SHAREHOLDERS' FUNDS	<u>59,412</u>	<u>47,256</u>
4 NON-CURRENT LIABILITY		
Deferred tax liabilities	12	12
Lease liabilities	59	59
	<u>72</u>	<u>71</u>
5 CURRENT LIABILITIES		
Short term borrowings	-	-
Trade creditors	443	374
Other creditors, accruals and deposits	776	726
Lease liabilities	164	217
Provision for taxation	176	188
Amount due to director	59	79
	<u>1,617</u>	<u>1,584</u>
6 TOTAL LIABILITIES	<u>1,689</u>	<u>1,655</u>
7 TOTAL EQUITY AND LIABILITIES	<u>61,100</u>	<u>48,911</u>
8 NET ASSETS PER SHARE (RM)	<u>0.62</u>	<u>0.59</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 January 2021 and the accompanying explanatory notes attached to the interim financial statements.

Financial Result Announcement

Reference No. :
 Company Name : XL HOLDINGS BERHAD
 Stock Name : XL
 Date Announced : 24/8/2021
 Financial Year Ending : 31/12/2022
 Quarter : 1

Quarterly report on consolidated results for the 1st quarter period ended 30/04/21
 (The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserves RM'000	Capital Reserves RM'000	Accumulated Losses RM'000	Total RM'000
Balance at 1 February 2021	76,601	-	(279)	-	-	(29,066)	47,256
MFRS 16 adjustment	-	-	-	-	-	-	-
	<u>76,601</u>	<u>-</u>	<u>(279)</u>	<u>-</u>	<u>-</u>	<u>(29,066)</u>	<u>47,256</u>
Issue of share capital-placement	12,729	-	-	-	-	-	12,729
Treasury shares	-	-	-	-	-	-	-
Issue of share capital - ESOS	-	-	-	-	-	-	-
Currency translation differences not recognised in income statement	-	-	-	-	-	-	-
Total Comprehensive Profit/(Loss) for the period ended:	-	-	-	-	-	(573)	(573)
Dividend for the period ended:	-	-	-	-	-	-	-
Balance at 30 April 2021	<u>89,330</u>	<u>-</u>	<u>(279)</u>	<u>-</u>	<u>-</u>	<u>(29,639)</u>	<u>59,412</u>
Balance at 1 February 2020	76,601	-	(279)	-	-	(29,534)	46,788
Prior year adjustment	-	-	-	-	-	-	-
	<u>76,601</u>	<u>-</u>	<u>(279)</u>	<u>-</u>	<u>-</u>	<u>(29,534)</u>	<u>46,788</u>
Issue of share capital	-	-	-	-	-	-	-
Transition to no par value regime	-	-	-	-	-	-	-
Issue of share capital - ESOS	-	-	-	-	-	-	-
Currency translation differences not recognised in income statement	-	-	-	-	-	-	-
Total Comprehensive (Loss)/Profit for the period ended:	-	-	-	-	-	(270)	(270)
Dividend for the period ended:	-	-	-	-	-	-	-
Balance at 30 April 2020	<u>76,601</u>	<u>-</u>	<u>(279)</u>	<u>-</u>	<u>-</u>	<u>(29,804)</u>	<u>46,518</u>

The Condensed Consolidated Statements For Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 31 January 2021 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT PERIOD ENDED 30/04/2021 (Unaudited)	PRECEDING PERIOD ENDED 30/04/2020 (Audited)
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before taxation	(526)	(248)
Adjustment for:		
Allowance for slow moving inventories		
Depreciation of property, plant and equipment	252	165
Depreciation of right-of-use assets	45	45
Impairment loss on property, plant and equipment	-	-
Allowance for impairment loss on amount due by third party	-	-
Allowance for impairment loss on amount due by intercompany	-	-
(Reversal)/Provision for doubtful debts	-	-
Bad debt	-	-
Provision for slow moving stock	-	-
Gain on disposal	(14)	-
Unrealised gain on forex	1	(2)
Inventories written off	-	-
Inventories write down to net realisable value	-	-
PPE written off	-	-
Interest income	(31)	(14)
Interest expense	3	6
Operating (loss)/profit before working capital changes	(270)	(48)
Changes in working capital		
Net change in receivables	(1,132)	(353)
Net change in inventories and biological assets	674	(168)
Net change in payables	118	154
Cash used in operating activities	(609)	(415)
Tax refund/(paid)	(62)	(20)
Interest received	31	14
Interest paid	(3)	(8)
Net cash used in operating activities	(643)	(427)
CASH FLOW FROM INVESTING ACTIVITY		
Purchase of fixed assets	(150)	(1)
Construction work in progress	-	-
Proceed from disposal of fixed asset	14	-
Cash received from private placement and other equity instrument	12,729	-
Net cash used in investing activities	12,593	(1)
CASH FLOW FROM FINANCING ACTIVITIES		
Amount due to director	(19)	74
Proceed from share issue	-	-
Share premium account	-	-
Dividend paid	-	-
Purchase of treasury shares	-	-
Drawdown of hire purchase	-	-
Repayment of hire purchase payables	-	-
Repayment of lease liabilities	(53)	(50)
Net cash used in financing activities	(72)	24
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	11,878	(404)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	2,863	4,197
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	14,741	3,793
Cash and cash equivalents comprise:		
Cash and bank balances	13,740	2,786
Fixed deposits	1,001	1,007
	14,741	3,793

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 January 2021 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. First-time adoption of Malaysian Financial Reporting Standards (“MFRS”)

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134, *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad (Bursa Malaysia).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 January 2021. These condensed consolidated interim financial statements for part of the period covered by the Group’s first MFRS annual financial statements for the year ending 31 January 2022. MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards (“MFRS 1”) has been applied.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 January 2021.

At the date of authorization of these interim financial statements the following MFRS and Amendments to MFRSs and Interpretations were issued but not yet effective and have not been applied by the Group and the Company:

Amendments to MFRS 16	Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 1, MFRS 9 and MFRS 141	Annual Improvements to MFRS Standards 2018 - 2020 Cycles	1 January 2022
Amendments to MFRS 3	References to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 108	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The above MFRSs and Interpretations are not expected to have significant impact on the financial statements of the Group upon their initial application.

The main closing exchange rates used as at 30 April 2021 in translation (units of Malaysian Ringgit per foreign currency) are as follows:

Foreign Currency	Exchange Rate
United States Dollar	4.075
Japanese Yen	0.037
100 Indonesian Rupiah	0.026

2. Audit Qualifications

The audit report of the Group's most recent annual financial statements for the year ended 31 January 2021 was not qualified.

3. Seasonal or Cyclical Factors

The Group's operations and revenue were not affected by any seasonal or cyclical factors except for the period during which the fish productivity level were affected by adverse weather.

4. Unusual Items

There were no unusual items for the first quarter ended 30 April 2021.

5. Changes in Estimates

There were no material changes in estimates reported for the first quarter ended 30 April 2021.

6. Debt and Equity Securities

During the current period of date, the Company: -

- (a) Completed the private placement exercise and issuance of up to 15,911,200 new ordinary shares in XL. The exercise completed on 19 February 2021.

Save as disclosed above, there was no material issuance, cancellation, share buy-back, resale and repayment of debt and equity securities.

7. Dividend Paid

No dividends were paid by the Company during the current quarter and financial period to-date.

8. Segment Reporting

The segmental result of the Group under review is set out below:

Current financial quarter ended 30 April 2021

	Investment Holding RM'000	Fish Farming RM'000	Merchandise RM'000	Edible Bird Nest RM'000	Others RM'000	Total RM'000
REVENUE						
Sales (Gross)	126	1,228	4,115	1,224	-	6,693
Inter-Segment sales	(126)	(501)	(448)	-	-	(1,075)
External	-	727	3,667	1,224	-	5,618
RESULT						
Segment result	(701)	25	226	(66)	(7)	(523)
Finance costs	-	(1)	(2)	-	-	(3)
Profit/(Loss) before tax	(701)	24	224	(66)	(7)	(526)
Tax expenses	-	-	(47)	-	-	(47)
Profit/(Loss) after tax	(701)	24	177	(66)	(7)	(573)

8. Segment Reporting (cont'd)

Previous year's corresponding quarter ended 30 April 2020

	Investment Holding RM'000	Fish Farming RM'000	Merchandise RM'000	Edible Bird Nest RM'000	Others RM'000	Total RM'000
REVENUE						
Sales (Gross)	126	405	2,414	4,031	-	6,976
Inter-Segment sales	(126)	(176)	(270)	-	-	(572)
External	-	229	2,144	4,031	-	6,404
RESULT						
Segment result	29	(346)	19	57	(1)	(242)
Finance costs	-	(1)	(5)	-	-	(6)
Profit/(Loss) before tax	29	(347)	14	57	(1)	(248)
Tax expenses	(1)	-	(7)	(14)	-	(22)
Profit/(Loss) after tax	28	(347)	7	43	(1)	(270)

9. Carrying Amount of Property, Plant and Equipment

The valuations, where present, stated in the previous annual financial statements have been brought forward without amendment.

10. Events Subsequent to the Balance Sheet Date

(a) On 22 April 2021, the Group made the following announcements:

- (i) Proposed issue of up to 47,924,100 free warrants on the basis of 1 Warrant for every existing ordinary share of the Company held on an entitlement date to be determined. The proposed free warrant issued will not raise any immediate funds upon its issuance as the Warrant will be issued at no cost by the Company. The exact quantum of proceeds that may be raised would depend upon the exercise price of the Warrants and the actual number of Warrants exercised during the tenure of the Warrants. On 20 May 2021, free warrants have been completed and announced listed on Main Market of Bursa Securities.
- (ii) Proposed establishment and implementation of a long-term incentive plan ("LTIP") of up to 15% of the Company's total issued share capital (excluding treasury shares) at any point in time over the duration of the LTIP for eligible directors and employees of the Group. The LTIP has been announced the effective date for implementation on 22 April 2021.

(b) On 20 May 2021, the Group had purchased a unit of motor vehicle for RM 0.370 million with internal fund and hire purchase facility from bank RM0.250 million.

11. Changes in Composition of the Group

The Company has on 7 April 2021 and 4 May 2021 incorporated 3 new wholly-owned subsidiaries, namely XL Farming Sdn Bhd ("XLF"), XL Plantation Sdn Bhd ("XLP") and XL Foods Sdn Bhd ("XLFD").

11. Changes in Composition of the Group (cont'd)

XLF primarily involve in rearing and management of livestock farms, extraction of dairy milk from livestock and trading related products. XLP primarily involve in farming, manufacturing and trading of fruits, vegetables and related products.

XLFD primarily involve in producing and trading edible products (such as processed foods, healthy foods, protein foods, packed foods and others).

12. Contingent Liabilities and Contingent Assets

There were no material changes in the contingent liabilities or contingent assets at first quarter ended 30 April 2021.

13. Significant Related Party Transactions

There were no significant related party transactions noted during the period under review.

14. Review of Performance

Current Financial Quarter as compared with Previous Year's Corresponding Quarter

	Individual Period		Changes %
	Current Financial Quarter 30/04/21 RM'000	Previous Year's Corresponding Quarter 30/04/20 RM'000	
Revenue	5,618	6,404	-12.27
(Loss)/Profits before Finance Costs, Depreciation and Amortisation, Exceptional Item, Minority Interest and Tax	(226)	(32)	-606.25
(Loss)/Profits Before Tax	(526)	(248)	112.10
(Loss)/Profits After Tax	(573)	(270)	112.22

The Group recorded a total revenue of RM5.618 million for the three months' quarter ended 30 April 2021 represented an decrease of 12.27% compared with RM6.404 million in the previous year's corresponding quarter. The Group registered a loss before tax of RM0.526 million as compared with loss before tax of RM0.248 million in the previous year's corresponding quarter. The performance movement is further explained below:

Investment holding segment

The investment holding segment recorded revenue of RM0.126 million for the three months' quarter ended 30 April 2021 as same as previous year's corresponding quarter. Investment holding segment was generate income by charged management fee and no other income has been generated during the first quarter ended 30 April 2021.

This segment registered losses before tax of RM0.701 million as compared with profit before tax of RM 0.029 million mainly due to the corporate exercises' expenses.

14. Review of Performance (cont'd)

Current Financial Quarter as compared with Previous Year's Corresponding Quarter (cont'd)

Fish Farming Segment

The fish farming segment recorded revenue of RM1.228 million for the three months' quarter ended 30 April 2021 as compared with RM0.405 million in the previous year's corresponding quarter during the restriction of Movement Control Order (MCO1.0) period. Revenue increased more than 200% mainly due to the increase in sales volume of tropical fishes during the current quarter.

The fish farming segment registered a profit before tax of RM0.024 million as compared with loss before tax of RM0.347 million in the previous year's corresponding quarter. This was attributable to the increase in revenue.

Merchandise Segment

The merchandise segment recorded revenue of RM4.115 million for the three months' quarter ended 30 April 2021 represented an increase of 70.46% as compared with RM2.414 million in the previous year's corresponding quarter. This was mainly contributed by the increase in sales volume of merchandise stocks during the current quarter.

The merchandise segment registered a higher profit before tax of RM0.224 million as compared with profit before tax of RM0.014 million in the previous year's corresponding quarter. This was contributed by a positive growth in sales volume of merchandise stocks in domestic market.

Edible Bird Nest Segment

The edible bird nest operations recorded revenue of RM1.224 million for the three months' quarter ended 30 April 2021 represented a decrease of 69.64% as compared with RM4.031 million in the previous year's corresponding quarter. This was mainly due to the decrease in sales to Hong Kong market during the current quarter. This was attributable to the stricter trade restrictions imposed after outbreak of Covid-19 pandemic.

The edible bird nest registered a loss before tax of RM0.066 million as compared with profit before tax of RM0.057 million in the previous year's corresponding quarter. This was mainly due to a decrease in revenue of edible bird nest during the current quarter.

15. Variation of Results against the Immediate Preceding Quarter

	Current Financial Quarter 30/04/21 RM'000	Immediate Preceding Quarter 31/01/21 RM'000	Changes %
Revenue	5,618	5,719	-1.77
(Loss)/Profits before Finance Cost, Depreciation and Amortisation, Exceptional Item, Minority Interest and Tax	(226)	396	-157.07
(Loss)/Profits Before Tax	(526)	57	-1,022.81
(Loss)/Profits After Tax	(573)	33	-1,836.36

15. Variation of Results against the Immediate Preceding Quarter (cont'd)

The Group recorded revenue of RM5.618 million for the three months' quarter ended 30 April 2021 represented a decrease of approximately 1.77% as compared with RM5,719 million in the immediate preceding quarter ended 31 January 2021. The Group registered a loss before tax in the current quarter ended 30 April 2021 of RM0.526 million represented a decrease of approximately 1,022.81 % as compared with a profit before tax of RM0.057 million for the immediate preceding quarter ended 31 January 2021. The performance is further explained below:

Investment holding segment

The investment holding segment recorded losses of RM 0.701 million for three months' quarter ended 30 April 2021 represented a decreased of approximately 2,317.24% as compared with loss before tax of RM 0.029 million in the preceding quarter ended 31 January 2021. The reason mainly due to the corporate exercises' expenses increase in the current financial quarter.

Fish Farming Segment

The fish farming segment recorded revenue of RM1.228 million for the three months' quarter ended 30 April 2021 represented an increase of approximately 21.58% as compared with RM1.010 million in the preceding quarter ended 31 January 2021. This was mainly contributed by the higher sales volume of tropical fish in the domestic market.

The fish farming segment registered a profit before tax of RM0.024 million as compared with profit before tax of RM0.048 million for the immediate preceding quarter ended 31 January 2021. This was mainly contributed by the increase in operating cost in the current financial quarter.

Merchandise Segment

The merchandise segment recorded revenue of RM4.115 million for the three months' quarter ended 30 April 2021 represented an increase by approximately 0.66% as compared with RM4.088 million in the preceding quarter ended 31 January 2021. This was mainly due to the increase in sales volume of merchandise stocks in the domestic market.

The merchandise segment registered a higher profit before tax of RM0.224 million as compared with profit before tax of RM0.083 million for the immediate preceding quarter ended 31 January 2021 due to the decrease in operating cost.

Edible Bird Nest Segment

The edible bird nest operations recorded revenue of RM1.224 million for the three months' quarter ended 30 April 2021 represented a decrease of approximately 22.43% as compared with RM1.578 million in the immediate preceding quarter ended 31 January 2021 due to the decrease in sales to Hong Kong market during the quarter under review. This was attributable to the stricter trade restrictions imposed after outbreak of Covid-19 pandemic.

The edible bird nest operations registered a loss before tax of RM0.066 million as compared with loss before tax of RM0.034 million for the immediate preceding quarter ended 31 January 2021 due to the decrease in revenue.

16. Current Prospects

The COVID-19 pandemic had significantly affected both the Malaysian and global economies. The Group has significant sales exposure in international markets and thus, will not be exempt from the uncertainty caused to economic prospects. Domestically, the MCO, Conditional MCO ("CMCO") and Full MCO ("FMCO") recently announced by the Government will help to stabilize the situation from a public health standpoint but will disrupt business operations. The arrival of the vaccines and the steady rollout of the national vaccination plan could potentially lead to the relaxation of restrictions in the near future. The Directors are of the opinion that the financial performance for the forthcoming financial year remained challenging due to the uncertainty in the market operations.

Moving forward, the Company will continue to undertake a stringent profit and cost control measure for its existing business to ensure the overall profitability of the Group, which include, but not limited to continuously undertaking conservative cost control measures as well as undertaking close monitoring of the market conditions for the ornamental fish, related product industry as well as edible bird nest industries.

Besides, the Group will continuously explore new industries such as hatchery, plantation as well as others farming industries in Malaysia.

17. Profit Forecast

Not applicable to the Group as no profit forecast was published.

18. Tax Expense

	Individual Quarter 30/04/2021 RM'000	Year to Date 30/04/2021 RM'000
Current taxation	47	47
Deferred taxation	-	-
	<u>47</u>	<u>47</u>

The effective tax rate of the Group for the year to date was higher than the standard rate of 24% principally due to a subsidiary's capital allowances being fully utilized and other income was taxed as different sources of income.

19. Status of corporate proposal announced

Corporate proposal announced during first quarter ended 30 April 2021 as follow: -

- (a) Proposed of Private Placement exercise which announced on 2 February 2021 and had fully completed on 19/02/21.

19. Status of corporate proposal announced (cont'd)

(b) Status of utilization of proceeds raised from Private Placement as at ended 30 April 2021

Purposes	Proposed Utilisation	Utilisation as at 30/04/21	Remaining Balance Carried Forward	Estimate timeframe
	RM'000	RM'000	RM'000	
Future acquisitions/ investments of new businesses	7,500	70	7,430	18/2/2022
Staff salaries	2,000	169	1,831	18/2/2022
Administrative and other operating expenses	2,500	400	2,100	18/2/2022
Sales and marketing activities and Other working capital requirements	569	-	569	18/2/2022
Defrayment of the expense's incidental to the Private Placement	160	160	-	N/A
Total:	12,729	799	11,930	

(c) Proposed of Free Warrants and Long-term Incentive Plan ("LTIP") exercise which announced on 3 March 2021. Proposed issue of up to 47,924,100 free warrants on the basis of 1 Warrant for every existing ordinary share of the Company held on an entitlement date to be determined. On 20 May 2021, free warrants have been completed and announced listed on Main Market of Bursa Securities.

(d) Proposed establishment and implementation of a long-term incentive plan ("LTIP") of up to 15% of the Company's total issued share capital (excluding treasury shares) at any point in time over the duration of the LTIP for eligible directors and employees of the Group. The LTIP has been announced the effective date for implementation on 22 April 2021.

20. Borrowings

There were no borrowings as at first quarter ended 30 April 2021.

21. Notes to the Condensed Consolidated Statement of Comprehensive Income

Operating profit is stated after charging/ (crediting):

	3 months ended		Year to date	
	<u>30/04/2021</u>	<u>30/04/2020</u>	<u>30/04/2021</u>	<u>30/04/2020</u>
	RM'000	RM'000	RM'000	RM'000
Interest income	(31)	(14)	(31)	(14)
Other income	(13)	(51)	(13)	(51)
Lease expenses	3	6	3	6

21. Notes to the Condensed Consolidated Statement of Comprehensive Income (cont'd)

Operating profit is stated after charging/ (crediting):

	3 months ended		Year to date	
	<u>30/04/2021</u>	<u>30/04/2020</u>	<u>30/04/2021</u>	<u>30/04/2020</u>
	RM'000	RM'000	RM'000	RM'000
Depreciation	297	210	297	210
(Reversed)/ Provision for doubtful debts	-	-	-	-
Allowance for impairment loss on amount due by intercompany	-	-	-	-
Provision for slow moving Inventories	52	-	52	-
Inventories written off	-	-	-	-
(Gain)/loss on disposal of quoted/unquoted investments	-	-	-	-
(Gain)/loss on disposal of property, plant and equipment	(14)	-	(14)	-
Property, plant and equipment written off	-	-	-	-
Provision for impairment of property, plant and equipment	-	-	-	-
Changes in fair value of biological assets	(58)	(37)	(58)	(37)
Foreign exchange (gains)/losses	(3)	(19)	(3)	(19)
Derivatives (gains)/losses	-	-	-	-

22. Material litigation

There are no pending material litigations as at the date of this report.

23. Dividend Payable

No dividend was paid during the financial year and the Directors do not recommend any dividend to be paid for the financial year under review.

24. Capital Commitments

At the date of this report, the Group has the following commitment: -

	RM'000
Approved and contracted for:	
- Purchase of motor vehicle	370

25. Earnings/(Loss) per share

a) Basic Earnings/ (Loss) per share

	3 months ended		Year to date	
	<u>30/04/21</u>	<u>30/04/20</u>	<u>30/04/21</u>	<u>30/04/20</u>
Net earnings/ (Loss) for the period (RM'000)	(573)	(270)	(573)	(270)
Weighted Average No. of shares ('000)	95,468	79,557	95,468	79,557
Basic earnings/ (loss) per share (sen)				
-from continuing operations	(0.60)	(0.34)	(0.60)	(0.34)
-from discontinued operation	-	-	-	-
Total	<u>(0.60)</u>	<u>(0.34)</u>	<u>(0.60)</u>	<u>(0.34)</u>

b) Diluted earnings/ (loss) per share

	3 months ended		Year to date	
	<u>30/04/21</u>	<u>30/04/20</u>	<u>30/04/21</u>	<u>30/04/20</u>
Weighted Average No. of shares ('000)	95,468	79,557	95,468	79,557
Diluted earnings/ (loss) per share (sen)				
-from continuing operations	(0.60)	(0.34)	(0.60)	(0.34)
-from discontinued operation	-	-	-	-
Total	<u>(0.60)</u>	<u>(0.34)</u>	<u>(0.60)</u>	<u>(0.34)</u>