

Financial Result Announcement

Reference No.	:	
Company Name	:	XL HOLDINGS BERHAD
Stock Name	:	XL
Date Announced	:	29/3/2022
Financial Year Ended	:	31/1/2022
Quarter	:	4

Quarterly report on consolidated results for the 4th quarter period ended 31 January 2022
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31/1/2022 (Unaudited) RM '000	PRECEDING YEAR QUARTER ENDED 31/1/2021 (Unaudited) RM '000	CURRENT YEAR TO DATE ENDED 31/1/2022 (Unaudited) RM '000	PRECEDING YEAR TO DATE ENDED 31/1/2021 (Audited) RM '000
Revenue	27,690	5,731	84,237	27,836
Cost of sales	(24,457)	(4,559)	(76,063)	(23,015)
Gross Profit	3,233	1,172	8,174	4,821
Other incomes/(loss)	49	51	282	390
	3,282	1,223	8,456	5,211
Depreciation and amortisation	(1,058)	(335)	(1,941)	(964)
Administrative and other operating expenses	(1,208)	(827)	(5,576)	(3,536)
Profit from operational	1,016	61	939	711
Finance cost	(166)	(4)	(177)	(20)
Share of profits and losses of associated companies	-	-	-	-
Profit before taxation	850	57	762	691
Taxation	(550)	(24)	(646)	(223)
Net profit for the period	300	33	116	468
Other Comprehensive income	-	-	-	-
Total Comprehensive income	300	33	116	468
Net profit attributable to				
-Owners of the parent	300	33	116	468
-Non-controlling interests	-	-	-	-
	300	33	116	468
Total Comprehensive profit attributable to				
-Owners of the parent	300	33	116	468
-Non-controlling interests	-	-	-	-
	300	33	116	468
Earnings per ordinary share				
Basic (sen)				
- from continuing operations	0.23	0.04	0.11	0.59
- from discontinued operation	0.00	0.00	0.00	0.00
	0.23	0.04	0.11	0.59
Fully diluted (sen)				
- from continuing operations	0.23	0.04	0.11	0.59
- from discontinued operation	0.00	0.00	0.00	0.00
	0.23	0.04	0.11	0.59

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 31/1/2022 (Unaudited) RM '000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/1/2021 (Audited) RM '000
1 NON-CURRENT ASSETS		
Property, plant and equipment	45,261	35,267
Biological assets	1,944	1,518
Right-of-use assets	7,765	235
	<u>54,970</u>	<u>37,020</u>
2 CURRENT ASSETS		
Biological assets	2,043	1,852
Inventories	2,318	2,421
Investment	1,148	-
Trade receivables	20,281	4,457
Other receivables	6,455	230
Prepayment	26	43
Current tax assets	28	25
Fixed deposits	1,000	1,001
Cash and bank balances	16,687	1,862
	<u>49,986</u>	<u>11,891</u>
TOTAL ASSETS	<u>104,956</u>	<u>48,911</u>
3 EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY		
Share capital	113,253	76,601
Reserves	(279)	(279)
Accumulated losses	(28,949)	(29,066)
SHAREHOLDERS' FUNDS	<u>84,025</u>	<u>47,256</u>
4 NON-CURRENT LIABILITY		
Hire purchase	168	-
Lease liabilities	6,306	59
Deferred tax liabilities	12	12
	<u>6,486</u>	<u>71</u>
5 CURRENT LIABILITIES		
Trade payables	11,910	374
Other payables	414	726
Amount due to director	-	79
Hire purchase	47	-
Lease liabilities	1,536	217
Current tax liabilities	538	188
	<u>14,445</u>	<u>1,584</u>
6 TOTAL LIABILITIES	<u>20,931</u>	<u>1,655</u>
7 TOTAL EQUITY AND LIABILITIES	<u>104,956</u>	<u>48,911</u>
8 NET ASSETS PER SHARE (RM)	<u>0.80</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.

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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)	-	-	(29,065)	47,257
MFRS 16 adjustment *	-	-	-	-	-	-	-
	<u>76,601</u>	<u>-</u>	<u>(279)</u>	<u>-</u>	<u>-</u>	<u>(29,065)</u>	<u>47,257</u>
Issue of share capital-placement	12,729	-	-	-	-	-	12,729
Issuance of redeemable convertible notes ("RCN")	23,923	-	-	-	-	-	23,923
Treasury shares	-	-	-	-	-	-	-
Issue of share capital - ESOS	-	-	-	-	-	-	-
Currency translation differences not recognised in income statement	-	-	-	-	-	-	-
Total Comprehensive Profit/(Loss) for the period ended:	-	-	-	-	-	116	116
Dividend for the period ended:	-	-	-	-	-	-	-
Balance at 31 January 2022	<u><u>113,253</u></u>	<u><u>-</u></u>	<u><u>(279)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(28,949)</u></u>	<u><u>84,025</u></u>
<i>Balance at 1 February 2020</i>	<i>76,601</i>	<i>-</i>	<i>(279)</i>	<i>-</i>	<i>-</i>	<i>(29,533)</i>	<i>46,789</i>
<i>Prior year adjustment</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
	<u><i>76,601</i></u>	<u><i>-</i></u>	<u><i>(279)</i></u>	<u><i>-</i></u>	<u><i>-</i></u>	<u><i>(29,533)</i></u>	<u><i>46,789</i></u>
<i>Issue of share capital</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Transition to no par value regime</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Issue of share capital - ESOS</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Currency translation differences not recognised in income statement</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Total Comprehensive (Loss)/Profit for the period ended:</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>468</i>	<i>468</i>
<i>Dividend for the period ended:</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Balance at 31 January 2021	<u><u>76,601</u></u>	<u><u>-</u></u>	<u><u>(279)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(29,065)</u></u>	<u><u>47,257</u></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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**Quarterly report on consolidated results for the 4th quarter period ended 31 January 2022
(The figures have not been audited)**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT PERIOD ENDED 31/1/2022 (Unaudited) RM'000	PRECEDING PERIOD ENDED 31/1/2021 (Audited) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before taxation	762	634
Adjustment for:		
Depreciation of property, plant and equipment	121	495
Depreciation of right-of-use assets	990	134
Provision for slow moving stock	-	16
Gain on disposal	(14)	-
Unrealised gain on forex	-	(2)
Change in fair value of non-current biological assets	-	(71)
Inventories written off	-	35
Unrealised loss on NRV (Inventory)	-	-
Unrealised gain on investment	(54)	-
Interest income	(68)	(30)
Interest expense	176	16
Operating (loss)/profit before working capital changes	<u>1,913</u>	<u>1,227</u>
Changes in working capital		
Net change in receivables	(22,032)	(2,670)
Net change in inventories and biological assets	(511)	(113)
Net change in payables	11,224	103
Cash used in operating activities	<u>(9,406)</u>	<u>(1,453)</u>
Tax refund/(paid)	(299)	(52)
Interest received	68	30
Interest paid	(176)	(16)
Net cash used in operating activities	<u>(9,813)</u>	<u>(1,491)</u>
CASH FLOW FROM INVESTING ACTIVITY		
Purchase of fixed assets	(18,637)	(31)
Investment	(1,094)	-
Proceed from disposal of fixed asset	14	-
Cash received from private placement and other equity instrument	36,652	-
Net cash generated from/(used in) investing activities	<u>16,935</u>	<u>(31)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Amount due to director	(79)	69
Drawdown of lease liabilities	7,781	(152)
Net cash generated from/(used in) financing activities	<u>7,702</u>	<u>(83)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	14,824	(1,605)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	2,863	4,198
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u><u>17,687</u></u>	<u><u>2,593</u></u>
Cash and cash equivalents comprise:		
Cash and bank balances	16,687	1,592
Fixed deposits	1,000	1,001
	<u><u>17,687</u></u>	<u><u>2,593</u></u>

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 Beyond 30 June 2021	1 April 2021
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 Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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 31 January 2022 in translation (units of Malaysian Ringgit per foreign currency) are as follows:

Foreign Currency	Exchange Rate
United States Dollar	4.162
Japanese Yen	0.036
100 Indonesian Rupiah	0.027



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. Seasonality or Cyclicity of Operations

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 was affected by adverse weather.

4. Unusual Items Due to Their Nature, Sizes or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flow for the current financial year to-date.

5. Changes in Estimates

There were no material changes in estimates reported in the prior financial quarter of the current financial year or prior financial year, which have material impact on the current financial year to-date.

6. Changes in Debt and Equity Securities

During the financial period ended 31 January 2022, the Company: -

- (a) Completed the private placement exercise, issued and listed 15,911,300 new ordinary shares on the Main Market of Bursa Securities.
- (b) Issued and listed 47,734,099 Warrants on the Main Market of Bursa Securities. The free warrants were issued based on the basis of 1 Warrant for every existing ordinary share of the Company.
- (c) Issued 45,619,728 ordinary shares pursuant to the conversion of RM 25.50 million worth of RCN at average conversion price of RM 0.5590 per share.

Subsequent to the financial period ended 31 January 2022, the Company issued RM 20 million worth of RCN at average conversion price of RM 0.5480 per share and subsequently converted to 36,496,349 ordinary shares.

Following the above issuance of new shares, the Company has 177,964,277 ordinary shares in issue as at the date of this report. Save as disclosed above, there was no 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 year to-date.



8. Segment Reporting

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

Current financial quarter ended 31 January 2022

	Investment Holding	Foods	Fish Farming	Merchandise	Edible Bird Nest	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE							
Sales (Gross)	265	23,169	1,130	3,913	290	9	28,776
Inter-Segment sales	(126)	-	(552)	(399)	-	(9)	(1,086)
External	139	23,169	578	3,514	290	-	27,690
RESULT							
Segment result	(148)	1,024	(300)	114	7	319	1,016
Finance costs	(7)	-	-	(1)	-	(158)	(166)
Profit/(Loss) before tax	(155)	1,024	(300)	113	7	161	850
Tax expenses	-	(492)	(7)	(25)	(26)	-	(550)
Profit/(Loss) after tax	(155)	532	(307)	88	(19)	161	300

Previous year's corresponding quarter ended 31 January 2021

	Investment Holding	Foods	Fish Farming	Merchandise	Edible Bird Nest	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE							
Sales (Gross)	126	-	1,010	4,088	1,578	-	6,802
Inter-Segment sales	(126)	-	(448)	(509)	-	-	(1,083)
External	-	-	562	3,579	1,578	-	5,719
RESULT							
Segment result	(29)	-	49	86	(34)	(11)	61
Finance costs	-	-	(1)	(3)	-	-	(4)
Profit/(Loss) before tax	(29)	-	48	83	(34)	(11)	57
Tax expenses	-	-	-	(32)	8	-	(24)
Profit/(Loss) after tax	(29)	-	48	51	(26)	(11)	33



8. Segment Reporting (cont'd)

Current financial period ended 31 January 2022

	Investment Holding	Foods	Fish Farming	Merchandise	Edible Bird Nest	Other	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE							
Sales (Gross)	804	63,868	4,563	16,466	2,960	9	88,670
Inter-Segment sales	(504)	-	(2,088)	(1,832)	-	(9)	(4,433)
External	300	63,868	2,475	14,634	2,960	-	84,237
RESULT							
Segment result	(1,297)	2,045	(247)	682	(12)	(232)	939
Finance costs	(12)	-	(1)	(6)	-	(158)	(177)
Profit/(Loss) before tax	(1,309)	2,045	(248)	676	(12)	(390)	762
Tax expenses	-	(492)	(7)	(121)	(26)	-	(646)
Profit/(Loss) after tax	(1,309)	1,553	(255)	555	(38)	(390)	116

Previous year corresponding financial period ended 31 January 2021

	Investment Holding	Foods	Fish Farming	Merchandise	Edible Bird Nest	Other	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE							
Sales (Gross)	504	-	3,011	14,906	12,924	-	31,345
Inter-Segment sales	(504)	-	(1,212)	(1,805)	-	-	(3,521)
External	-	-	1,799	13,101	12,924	-	27,824
RESULT							
Segment result	3	-	(245)	699	267	(13)	711
Finance costs	-	-	(4)	(16)	-	-	(20)
Profit/(Loss) before tax	3	-	(249)	683	267	(13)	691
Tax expenses	(1)	-	-	(157)	(65)	-	(223)
Profit/(Loss) after tax	2	-	(249)	526	202	(13)	468



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. Material Events Subsequent to the Balance Sheet Date

- (a) The proposal dated 2 December 2021 for acquisition of 100% equity interest in Ergobumi Sdn Bhd (“Ergobumi”), comprising 500,000 ordinary shares in Ergobumi, from Lee Kok Soon and Edmund Chan Seng Kee for a total cash consideration of RM40 million has been completed on 22 March 2022.
- (b) Subsequent to the financial period ended 31 January 2022, the Company issued RM 20 million worth of RCN at average conversion price of RM 0.5480 per share and subsequently converted to 36,496,349 ordinary shares.

Other than the above, there were no other material events subsequent to the end of the current financial period ended 31 January 2022 that have not been reflected in this quarter report.

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”).

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 involved 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 of the Group since the end of the prior financial year.

13. Significant Related Party Transactions

There were no significant related party transactions noted during the current financial year to-date.



14. Review of Performance

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

The Group recorded a total revenue of RM27.690 million for the quarter ended 31 January 2022 represented an increase of 383.16% compared with RM5.731 million in the previous year's corresponding quarter. The Group registered a profit before tax of RM0.851 million as compared with profit before tax of RM0.057 million in the previous year's corresponding quarter. The performance movement is further explained below:

Investment Holdings Segment

The investment holding segment recorded revenue of RM0.265 million for the quarter ended 31 January 2022 as compared with RM0.126 million in the previous year's corresponding quarter. The income generated by Investment holding segment mainly consists of management fees and investment income during this quarter ended 31 January 2022.

This segment registered loss before tax of RM0.155 million as compared with loss before tax of RM0.029 million in the previous year's corresponding quarter mainly due to the corporate exercises' expenses.

Foods Segment

The foods segment recorded revenue of RM23.169 million and RM0.532 million profit before tax for the quarter ended 31 January 2022.

This is a new segment started business during the preceding quarter, therefore no comparison of results with previous year.

Fish Farming Segment

The fish farming segment recorded revenue of RM1.130 million for the quarter ended 31 January 2022 as compared with RM1.010 million in the previous year's corresponding quarter. Revenue increased approximately 11.88% mainly due to the increase in sales volume of tropical fishes during the current quarter.

Despite higher revenue, the fish farming segment registered a loss before tax of RM0.307 million as compared with profit before tax of RM0.048 million in the previous year's corresponding quarter. This was mainly due to the increase in operating cost and year end employee benefits expenses during the current quarter.

Merchandise Segment

The merchandise segment recorded revenue of RM3.913 million for the quarter ended 31 January 2022 represented decrease of 4.28% as compared with RM4.088 million in the previous year's corresponding quarter. This was mainly due to decrease in sales volume of fish food.

The merchandise segment registered a profit before tax of RM0.113 million as compared with profit before tax of RM0.083 million in the previous year's corresponding quarter. This was mainly due to decrease in repair and maintenance expenses during the current quarter.

Edible Bird Nest Segment

The edible bird nest operations recorded revenue of RM0.290 million for the quarter ended 31 January 2022 as compared with RM1.578 million in the previous year's corresponding quarter. Revenue decreased approximately 81.62% and was mainly due to the decrease in sales to Hong Kong market during the current quarter.

However, with the cost cutting measures undertaken by the Group, the edible bird nest registered a profit before tax of RM0.007 million as compared with loss before tax of RM0.034 million in the previous year's corresponding quarter.



14. Review of Performance (cont'd)

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

The Group recorded revenue of RM84.237 million for the financial year ended 31 January 2022 as compared with RM27.836 million in the previous year's corresponding period. Revenue increased approximately 202.62%. The Group registered a profit before tax of RM0.762 million as compared with profit before tax of RM0.691 million in the previous year's corresponding period. The performance is further explained below:

Investment Holdings Segment

The investment holding segment recorded revenue of RM0.804 million as compared to RM0.504 million in the preceding year corresponding period ended 31 January 2021. The income generated by Investment holding segment mainly consists of management fees and investment income during the current financial period ended 31 January 2022.

This segment registered loss before tax of RM1.309 million as compared with profit before tax of RM0.003 million in the previous year corresponding period mainly due to the corporate exercises' expenses

Foods Segment

The foods segment recorded revenue of RM63.868 million and RM2.045 million profit before tax for the financial year ended 31 January 2022.

This is a new segment started business during the preceding quarter, therefore no comparison of results with previous year.

Fish Farming Segment

The fish farming segment recorded revenue of RM4.563 million for the financial year ended 31 January 2022 as compared to RM3.011 million in the previous year's corresponding period. Revenue increased approximately 51.54% mainly due to the increase in sales volume of tropical fishes during the current financial period.

The fish farming segment registered a loss before tax of RM0.248 million as compared to loss before tax of RM0.249 million in the previous year's corresponding period. The reason for loss before tax in the current financial period under review was due to the increase in operating cost and year end employee benefits expenses during the current financial period.

Merchandise Segment

The merchandise segment recorded revenue of RM16.466 million for the financial year ended 31 January 2022 as compared with RM14.906 million in the previous year's corresponding period. Revenue increased approximately 10.47%. This was mainly contributed by the increase in sales volume of merchandise stocks during the current financial period.

Despite the increased in revenue. the merchandise segment registered a profit before tax of RM0.676 million as compared with profit before tax of RM0.683 million in the previous year's corresponding period.. This was mainly due to increase in operating cost.

Edible Bird Nest Segment

The edible bird nest operations recorded revenue of RM2.960 million for the financial year ended 31 January 2022 as compared with RM12.924 million in the previous year's corresponding period. Revenue decreased approximately 77.10% was mainly due to the decrease in sales to Hong Kong market during the current financial period.

Due to the decrease in revenue, the edible bird nest registered a loss before tax of RM0.012 million as compared with profit before tax of RM0.267 million in the previous year's corresponding period.



15. Variation of Results against the immediate Preceding Quarter

	Current Financial Quarter 31/1/2022 RM'000	Immediate Preceding Quarter 31/10/2021 RM'000	Changes %
Revenue	27,690	22,204	24.71
Profits before Finance Cost, Depreciation and Amortisation, Exceptional Item, Minority Interest and Tax	2,074	396	423.74
Profits Before Tax	850	74	1,48.65
Profits After Tax	300	77	289.61

The Group recorded revenue of RM27.690 million for the quarter ended 31 January 2022 represented an increase of approximately 24.71% as compared to RM22.204 million in the immediate preceding quarter ended 31 October 2021. This was mainly due to increase sales of food products during the current quarter.

The Group registered a profit before tax of RM0.850 million during the current quarter ended 31 January 2022 as compared to profit before tax of RM0.074 million for the immediate preceding quarter ended 31 October 2021. This was mainly due to increase in revenue during the current quarter.

16. Commentary on Prospects

The operating environment remains challenging. The outbreak of Russia-Ukraine War, the surge in energy prices and unstable raw material prices, fluctuating exchange rates and disruptions in the global supply chain have already taken their toll on the global economy.

Moving forward, the Group will continue to strengthen and enhance its operational and supply chain efficiencies and continue to implement its business strategies cautiously in order to adapt to the uncertain economic environment.

Besides the Group will continue to explore future business opportunities cautiously and stay optimistic that the actions taken will enable the group anticipating positive results from various initiatives.

17. Profit Forecast

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

18. Taxation

	Current Year Quarter 31/1/2022 RM'000	Current Year To-Date 31/1/2021 RM'000
Current taxation	550	24
Deferred taxation	-	-
	550	24

The effective tax rate of the Group for the year to date was higher than the standard rate of 24% mainly due to the losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries and certain expenses which are not deductible for tax purpose.



19. Status of corporate proposal announced

(a) Status of utilization of proceeds raised as at ended 31 January 2022

(i) Proceeds raised from Private Placement

Purposes	Proposed Utilisation	Actual Utilisation as at 31/01/22	Remaining Balance Carried Forward	Intended timeframe for utilisation
	RM'000	RM'000	RM'000	
Future acquisitions/ investments of new businesses	7,500	7,500	-	18/2/2022
Staff salaries	2,000	2,000	-	18/2/2022
Administrative and other operating expenses	2,500	2,500	-	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	12,729	-	

(ii) Proceeds raised from RCN

On 28 September 2021, issued redeemable convertible notes ("RCN") convertible into a maximum of 191,000,000 new ordinary shares in XL Holdings Berhad with an aggregate principal amount of up to RM200 million. which will mature on 27 September 2024, ie. 36 months from the closing date of the first sub-tranche of the Tranche 1 of RCN.

As at 31 January 2021, RCN with an aggregate principal amount of RM 25.5 million were issued and converted into 45,619,728 ordinary shares of the Company at average conversion price of RM 0.5590 per share. The status of utilization of proceeds raised from RCN is as follows:

Purposes	Proposed Utilisation	Actual Utilisation as at 31/01/22	Remaining Balance Carried Forward	Intended timeframe for utilisation
	(RM'000)	(RM'000)	(RM)	
Venture into food processing	13,000	-	13,000	27/9/2023
Venture into feed mill (for aquaculture sector)	30,000	-	30,000	27/9/2024
Venture into hatchery related business	30,000	11,750	18,250	27/9/2024
Venture into cow farming business	30,000	-	30,000	27/9/2024
Venture into fruits and vegetables planting business	60,000	-	60,000	27/9/2024
Working capital for existing business and new business ventures	23,900	908	22,992	27/9/2024
Estimate expenses in relation to the Proposal	13,100	2,617	10,483	27/9/2024
Total :	200,000	15,275	184,725	



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

- (b) 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.
- (c) The proposal dated 2 December 2021 for acquisition of 100% equity interest in Ergobumi Sdn Bhd (“Ergobumi”), comprising 500,000 ordinary shares in Ergobumi, from Lee Kok Soon and Edmund Chan Seng Kee for a total cash consideration of RM40 million has been completed on 22 March 2022.

20. Borrowings

The Group’s borrowings, all of which are secured and denominated in Ringgit Malaysia, were as follows:

	Current Year as at 31/01/2022 (Unaudited) RM '000
Secure	
Short term:	
Hire Purchase	47
Long term:	
Hire Purchase	168
Total	215

21. Notes to the Condensed Consolidated Statement of Comprehensive Income

Operating profit is stated after charging/ (crediting):

	3 months ended		Year to date	
	<u>31/1/2022</u>	<u>31/1/2021</u>	<u>31/1/2022</u>	<u>31/1/2021</u>
	RM'000	RM'000	RM'000	RM'000
Interest income	(7)	(6)	(68)	(36)
Other income	(28)	(22)	(115)	(295)
Lease expenses	166	4	177	20
Depreciation	1,058	335	1,941	964
Realised gain on disposal of quoted investment	(136)	-	(167)	-
Unrealised loss/(gain) on quoted investment	57	-	(54)	-
Provision for slow moving Inventories	-	-	52	16
Inventories written off	-	3	-	38
(Gain)/loss on disposal of property, plant and equipment	-	-	(14)	-
Changes in fair value of biological assets	(369)	(153)	(426)	(224)
Foreign exchange (gain)/loss	(14)	(17)	(85)	(53)



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

The following items which were not disclosed were not applicable.

- Provision for and write off of receivables;
- Gain or loss on derivatives; and
- Exceptional items (with details)

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

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

Approved and contracted for:-

	<u>RM'000</u>
- Purchase of motor vehicle	134
- Construction work on hatchery farm	<u>8,000</u>
	<u>8,134</u>

25. Earnings per share

a) Basic Earnings per share

	3 months ended		Year to date	
	<u>31/1/2022</u>	<u>31/1/2021</u>	<u>31/1/2022</u>	<u>31/1/2021</u>
Net earnings (RM'000)	300	33	116	468
Weighted Average No. of shares ('000)	130,484	79,557	104,701	79,557
Basic earnings per share (sen)	0.23	0.04	0.11	0.59

b) Diluted Earnings per share

The fully diluted earnings per share on the basis of the assumed conversion unissued of RCN and Warrants have not been disclosed as the effect is anti-dilutive.

By Order of the Board
Wong Yuet Chyn
Company Secretary
Kuala Lumpur
29 March 2022