

**Financial Result Announcement**

Reference No.	:	
Company Name	:	XL HOLDINGS BERHAD
Stock Name	:	XL
Date Announced	:	29/6/2022
Financial Year Ended	:	31/1/2023
Quarter	:	1

**Quarterly report on consolidated results for the 1st quarter period ended 31 January 2023**  
*(The figures have not been audited)*

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 30/4/2022 (Unaudited) RM '000	PRECEDING YEAR QUARTER ENDED 30/4/2021 (Unaudited) RM '000	CURRENT YEAR TO DATE ENDED 30/4/2022 (Unaudited) RM '000	PRECEDING YEAR TO DATE ENDED 30/4/2021 (Unaudited) RM '000
Revenue	24,469	5,618	24,469	5,618
Cost of sales	<u>(21,841)</u>	<u>(5,033)</u>	<u>(21,841)</u>	<u>(5,033)</u>
Gross Profit	2,628	585	2,628	585
Other incomes/(loss)	<u>39</u>	<u>63</u>	<u>39</u>	<u>63</u>
	2,667	648	2,667	648
Depreciation and amortisation	(673)	(297)	(673)	(297)
Administrative and other operating expenses	<u>(1,441)</u>	<u>(875)</u>	<u>(1,441)</u>	<u>(875)</u>
Profit from operational	553	(524)	553	(524)
Finance cost	(70)	(3)	(70)	(3)
Share of profits and losses of associated companies	-	-	-	-
Profit before taxation	<u>483</u>	<u>(526)</u>	<u>483</u>	<u>(526)</u>
Taxation	<u>(210)</u>	<u>(47)</u>	<u>(210)</u>	<u>(47)</u>
Net profit for the period	273	(573)	273	(573)
Other Comprehensive income	-	-	-	-
Total Comprehensive income	<u>273</u>	<u>(573)</u>	<u>273</u>	<u>(573)</u>
Net profit attributable to				
-Owners of the parent	277	(573)	277	(573)
-Non-controlling interests	<u>(4)</u>	<u>-</u>	<u>(4)</u>	<u>-</u>
	273	(573)	273	(573)
Total Comprehensive profit attributable to				
-Owners of the parent	273	(573)	273	(573)
-Non-controlling interests	-	-	-	-
	<u>273</u>	<u>(573)</u>	<u>273</u>	<u>(573)</u>
Earnings per ordinary share				
<b>Basic (sen)</b>				
- from continuing operations	0.15	(0.60)	0.15	(0.60)
- from discontinued operation	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	0.15	(0.60)	0.15	(0.60)
<b>Fully diluted (sen)</b>				
- from continuing operations	0.15	(0.60)	0.15	(0.60)
- from discontinued operation	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	0.15	(0.60)	0.15	(0.60)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 January 2022 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>AS AT CURRENT FINANCIAL PERIOD ENDED 30/4/2022 (Unaudited) RM '000</b>	<b>AS AT PRECEDING FINANCIAL YEAR ENDED 31/1/2022 (Audited) RM '000</b>
<b>1 NON-CURRENT ASSETS</b>		
Property, plant and equipment	62,108	45,261
Biological assets	8,908	1,944
Right-of-use assets	7,358	7,765
Goodwill	16,542	-
	<u>94,916</u>	<u>54,970</u>
<b>2 CURRENT ASSETS</b>		
Biological assets	1,985	2,043
Inventories	2,196	2,318
Investment	1,141	1,148
Trade receivables	18,789	20,281
Other receivables	9,546	6,455
Prepayment	20	26
Current tax assets	105	28
Fixed deposits	1,000	1,000
Cash and bank balances	11,380	16,687
	<u>46,162</u>	<u>49,986</u>
<b>TOTAL ASSETS</b>	<u>141,078</u>	<u>104,956</u>
<b>3 EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY</b>		
Share capital	153,603	113,253
Treasury shares	(279)	(279)
Reserves	(28,672)	(28,949)
Total equity attributable to owners of the Company	<u>124,652</u>	<u>84,025</u>
Non-controlling interests	(26)	-
<b>TOTAL EQUITY</b>	<u>124,626</u>	<u>84,025</u>
<b>4 NON-CURRENT LIABILITY</b>		
Hire purchase	160	168
Lease liabilities	5,969	6,306
Deferred tax liabilities	12	12
	<u>6,141</u>	<u>6,486</u>
<b>5 CURRENT LIABILITIES</b>		
Trade payables	7,540	11,910
Other payables	624	414
Amount due to director	35	-
Hire purchase	48	47
Lease liabilities	1,494	1,536
Current tax liabilities	570	538
	<u>10,311</u>	<u>14,445</u>
<b>6 TOTAL LIABILITIES</b>	16,452	20,931
<b>7 TOTAL EQUITY AND LIABILITIES</b>	<u>141,078</u>	<u>104,956</u>
<b>8 NET ASSETS PER SHARE (RM)</b>	<u>0.69</u>	<u>0.80</u>

The Condensed Consolidated Statement of Financial position should be read in conjunction with the Annual Financial Report for the year ended 31 January 2022 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	Non-controlling interest RM'000	Accumulated Losses RM'000	Total RM'000
Balance at 1 February 2022	113,253	-	(279)	-	-	(28,949)	84,025
MFRS 16 adjustment *	-	-	-	-	-	-	-
	<hr/> 113,253	<hr/> -	<hr/> (279)	<hr/> -	<hr/> -	<hr/> (28,949)	<hr/> 84,025
Issue of share capital-placement	-	-	-	-	-	-	-
Issuance of redeemable convertible notes ("RCN")	40,350	-	-	-	-	-	40,350
Treasury shares	-	-	-	-	-	-	-
Changes in ownership interest in a subsidiary	-	-	-	-	(22)	-	(22)
Currency translation differences not recognised in income statement	-	-	-	-	-	-	-
Total Comprehensive Profit/(Loss) for the period ended:	-	-	-	-	(4)	277	273
Dividend for the period ended:	-	-	-	-	-	-	-
<b>Balance at 30 April 2022</b>	<hr/> <hr/> 153,603	<hr/> <hr/> -	<hr/> <hr/> (279)	<hr/> <hr/> -	<hr/> <hr/> (26)	<hr/> <hr/> (28,672)	<hr/> <hr/> 124,626
<i>Balance at 1 February 2021</i>	<i>76,601</i>	<i>-</i>	<i>(279)</i>	<i>-</i>	<i>-</i>	<i>(29,066)</i>	<i>47,256</i>
<i>Prior year adjustment</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
	<hr/> <i>76,601</i>	<hr/> <i>-</i>	<hr/> <i>(279)</i>	<hr/> <i>-</i>	<hr/> <i>-</i>	<hr/> <i>(29,066)</i>	<hr/> <i>47,256</i>
Issue of share capital-placement	12,729	-	-	-	-	-	12,729
Issuance of redeemable convertible notes ("RCN")	-	-	-	-	-	-	-
<i>Issue of share capital</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Treasury shares	-	-	-	-	-	-	-
<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>(573)</i>	<i>(573)</i>
<i>Dividend for the period ended:</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Balance at 30 April 2021</b>	<hr/> <hr/> 89,330	<hr/> <hr/> -	<hr/> <hr/> (279)	<hr/> <hr/> -	<hr/> <hr/> -	<hr/> <hr/> (29,639)	<hr/> <hr/> 59,412

The Condensed Consolidated Statements For Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 31 January 2022 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>CURRENT PERIOD ENDED 30/4/2022 (Unaudited) RM'000</b>	<b>PRECEDING PERIOD ENDED 30/4/2021 (Unaudited) RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit/(loss) before taxation	483	(526)
Adjustment for:		
Depreciation of property, plant and equipment	266	252
Depreciation of right-of-use assets	407	45
Gain on disposal	-	(14)
Unrealised loss/(gain) on forex	-	1
Unrealised loss on investment	61	-
Interest income	(6)	(31)
Interest expense	70	3
Operating (loss)/profit before working capital changes	<u>1,281</u>	<u>(270)</u>
Changes in working capital		
Net change in receivables	(1,428)	(1,132)
Net change in inventories and biological assets	171	674
Net change in payables	<u>(4,267)</u>	<u>118</u>
Cash used in operation	<u>(4,243)</u>	<u>(609)</u>
Tax refund/(paid)	(255)	(62)
Interest received	6	31
Interest paid	<u>(70)</u>	<u>(3)</u>
Net cash used in operating activities	<u>(4,562)</u>	<u>(643)</u>
<b>CASH FLOW FROM INVESTING ACTIVITY</b>		
Purchase of fixed assets	(694)	(150)
Acquisition of a subsidiary	(39,995)	-
Investment	(55)	-
Proceed from disposal of fixed asset	-	14
Cash received from private placement and other equity instrument	40,350	12,729
Net cash from/(used in) investing activities	<u>(394)</u>	<u>12,593</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Amount due to director	35	(19)
Repayment of lease liabilities	(386)	(53)
Net cash used in financing activities	<u>(351)</u>	<u>(72)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(5,307)</u>	<u>11,878</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	<u>17,687</u>	<u>2,863</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u><u>12,380</u></u>	<u><u>14,741</u></u>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	11,380	13,740
Fixed deposits	1,000	1,001
	<u><u>12,380</u></u>	<u><u>14,741</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 January 2022 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 2022. 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 2022.

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:

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 30 April 2022 in translation (units of Malaysian Ringgit per foreign currency) are as follows:

<b>Foreign Currency</b>	<b>Exchange Rate</b>
United States Dollar	4.330
Japanese Yen	0.033
100 Indonesian Rupiah	0.028



**2. Audit Qualifications**

The audit report of the Group's most recent annual financial statements for the year ended 31 January 2022 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 30 April 2022, the Company issued 76,701,135 ordinary shares pursuant to the conversion of RM 43 million worth of RCN at average conversion price of RM 0.5606 per share.

Following the above issuance of new shares, the Company has 218,169,063 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 30 April 2022**

	Investment Holding RM'000	Foods RM'000	Fish Farming RM'000	Merchandise RM'000	Edible Bird Nest RM'000	Others RM'000	Total RM'000
<b>REVENUE</b>							
Sales (Gross)	145	19,893	1,570	3,926	98	27	25,659
Inter-Segment sales	(126)	-	(613)	(451)	-	-	(1,190)
External	19	19,893	957	3,475	98	27	24,469
<b>RESULT</b>							
Segment result	(229)	839	12	123	(2)	(190)	553
Finance costs	(4)	-	(1)	(2)	-	(63)	(70)
Profit/(Loss) before tax	(233)	839	11	121	(2)	(253)	483
Tax expenses	-	(192)	-	(18)	-	-	(210)
Profit/(Loss) after tax	(233)	647	11	103	(2)	(253)	273

### **Previous year's corresponding quarter ended 30 April 2021**

	Investment Holding RM'000	Foods RM'000	Fish Farming RM'000	Merchandise RM'000	Edible Bird Nest RM'000	Others RM'000	Total RM'000
<b>REVENUE</b>							
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
<b>RESULT</b>							
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)



## 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

There were no other material events subsequent to the end of the current financial period ended 30 April 2022 that have not been reflected in this quarter report.

## 11. Changes in Composition of the Group

During the financial period ended 30 April 2022, the Company:

- (a) Had completed the acquisition of 100% of equity interest in Ergobumi Sdn Bhd (“Ergobumi”), comprising 500,000 ordinary shares in Ergobumi, from Lee Kok Soon and Edmund Chan Seng Kee for total purchase consideration of RM 40 million.

The fair value of the identifiable net assets acquired and the goodwill disclosed as below:

<b><u>Identified assets and liabilities:</u></b>	Fair values <b>RM</b>
<u>Non-current assets</u>	
Property, Plant and equipment	23,373,725
<u>Current assets</u>	
Trade and other receivables	86,354
Cash and bank balances	3,299
Deposit & prepayment	58,760
	<hr/>
	23,522,139
<u>Current liabilities</u>	
Trade and other payables	<hr/>
	(40,819)
	<hr/>
	(40,819)
Fair value of identifiable net assets acquired	23,481,319
Less: Purchase consideration	(40,000,000)
	<hr/>
<b>Goodwill on acquisition</b>	<b><u><u>(16,518,681)</u></u></b>





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

- (b) On 29 March 2022, the Company acquired of 51% equity interest in Xtra Delivery Sdn Bhd ("XDSB"), comprising 5,151 ordinary shares in XDSB, from Chua Hat Zen, Lee Chiaw Huat and The Hong Seng for a total cash consideration of RM 10.

XDSB is primarily involved in the business of frozen and chilled products delivery services.

The fair value of the identifiable net assets acquired and the goodwill disclosed as below:

<b><u>Identified assets and liabilities:</u></b>	Fair values <b>RM</b>
<b><u>Non-current assets</u></b>	
Property, Plant and equipment	873
<b><u>Current assets</u></b>	
Trade and other receivables	(26,934)
Cash and bank balances	1,431
Deposit & prepayment	3,170
Due from director	44,979
	<hr/>
	23,518
	<hr/>
<b><u>Current liabilities</u></b>	
Trade and other payables	(68,523)
	<hr/>
	(68,523)
	<hr/>
Fair value of identifiable net assets acquired	(45,005)
Non-controlling interest	22,052
Less: Purchase consideration	(10)
	<hr/>
<b>Goodwill on acquisition</b>	<b>(22,963)</b>

The Company shall subscribe of up to 1,274,949 ordinary shares in XDSB for total subscription price up to RM2,500,000.

Save as disclosed above, there were no changes in the composition of the Group during the current quarter and the financial period ended 30 April 2022.

## 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 RM24.469 million for the quarter ended 30 April 2022 represented an increase of 335.55% compared with RM5.618 million in the previous year's corresponding quarter. The Group registered a profit before tax of RM0.483 million as compared with loss before tax of RM0.526 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 RM0.145 million for the quarter ended 30 April 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 30 April 2022.

This segment registered loss before tax of RM0.232 million as compared with loss before tax of RM0.701 million in the previous year's corresponding quarter mainly due to the professional fee & admin expenses.

#### Foods Segment

The foods segment recorded revenue of RM19.893 million and RM0.839 million profit before tax for the quarter ended 30 April 2022.

This foods segment started business on previous year's 2<sup>nd</sup> quarter, therefore no comparison of results with previous year.

#### Fish Farming Segment

The fish farming segment recorded revenue of RM1.570 million for the three months' quarter ended 30 April 2022 as compared with RM1.228 million in the previous year's corresponding quarter. Revenue increased approximately 27.85% 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 RM0.011 million as compared with profit before tax of RM0.024 million in the previous year's corresponding quarter. This was mainly due to the increase in operating cost and employee benefits expenses during the current quarter.

#### Merchandise Segment

The merchandise segment recorded revenue of RM3.926 million for the three months' quarter ended 30 April 2022 represented decrease of 4.59% as compared with RM4.115 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 RM0.121 million as compared with profit before tax of RM0.224 million in the previous year's corresponding quarter. This was mainly due to decrease in sales volume of fish food and increase in operating cost during the current quarter.

#### Edible Bird Nest Segment

The edible bird nest operations recorded revenue of RM0.098 million for the three months' quarter ended 30 April 2022 as compared with RM1.224 million in the previous year's corresponding quarter. Revenue decreased approximately 91.99% and was mainly due to the decrease in sales to Hong Kong market during the current quarter.

The edible bird nest registered a loss before tax of RM0.002 million as compared with loss before tax of RM0.066 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

	<b>Current Financial Quarter 30/4/2022 RM'000</b>	<b>Immediate Preceding Quarter 31/1/2022 RM'000</b>	<b>Changes %</b>
Revenue	24,469	27,690	-11.63
Profits before Finance Cost, Depreciation and Amortisation, Exceptional Item, Minority Interest and Tax	1,226	2,074	-40.89
Profits Before Tax	483	850	-43.18
Profits After Tax	273	300	-9.00

The Group recorded revenue of RM24.469 million for the quarter ended 30 April 2022 represented decrease of approximately 11.63% as compared to RM27.690 million in the immediate preceding quarter ended 31 January 2022. This was mainly due to decrease sales of food products during the current quarter.

The Group registered a profit before tax of RM0.483 million during the current quarter ended 30 April 2022 as compared to profit before tax of RM0.850 million for the immediate preceding quarter ended 31 January 2022. This was mainly due to decrease in revenue during the current quarter.

## 16. Commentary on Prospects

The Group anticipates that business conditions will likely remain challenging with uncertainties continuing to cloud global and local markets. However, the Group will continue to implement its business strategies cautiously as well as to closely monitor and continue to adapt to the challenging and uncertain economic environment.

The Group will continue to embark into diversification of principal activities to include new business ventures such as food processing business, hatchery business, cow farming business and fruit and vegetables planting business in financial year ending 2023. This new business ventures are expected to contribute positively to the future profits of the Group and will provide an opportunity for the Group to grow its revenue and enhance its business portfolio to drive an improved financial performance

With a fair balance of strength and resilience, prudence and sound enterprise risk management, we strongly believe that we will continue to navigate our way through the challenges to promote and grow the Group's business.

## 17. Profit Forecast

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



## 18. Taxation

	<b>Current Year Quarter</b>	<b>Current Year To-Date</b>
	<b>30/4/2022</b>	<b>30/4/2021</b>
	RM'000	RM'000
Current taxation	210	47
Deferred taxation	-	-
	210	47

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

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 30 April 2022, RCN with an aggregate principal amount of RM 68.5 million were issued and converted into 122,320,863 ordinary shares of the Company at average conversion price of RM 0.5600 per share. The status of utilization of proceeds raised from RCN is as follows:

<b>Purposes</b>	<b>Proposed Utilisation</b>	<b>Actual Utilisation as at 30/04/2022</b>	<b>Remaining Balance Carried Forward</b>	<b>Intended timeframe for utilisation</b>
	(RM'000)	(RM'000)	(RM)	
Venture in to food processing	13,000	100	12,900	27/9/2023
Venture into feed mill (for aquaculture sector)	30,000	-	30,000	27/9/2024
Venture into hatchery related business	30,000	15,863	14,137	27/9/2024
Venture into cow farming business	30,000	-	30,000	27/9/2024
Venture into fruits and vegetables planting business	60,000	39,020	20,980	27/9/2024
Working capital for existing business and new business ventures	23,900	1,158	22,742	27/9/2024
Estimate expenses in relation to the Proposal	13,100	4,815	8,285	27/9/2024
	<b>200,000</b>	<b>60,956</b>	<b>139,044</b>	



## 20. Borrowings

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

	<b>Current Year as at 30/04/2022</b>
	(Unaudited) RM '000
<b>Secure</b>	
<b>Short term:</b>	
Hire Purchase	48
<b>Long term:</b>	
Hire Purchase	160
Total	<u>208</u>

## 21. Notes to the Condensed Consolidated Statement of Comprehensive Income

Operating profit is stated after charging/ (crediting):

	<b>3 months ended</b>		<b>Year to date</b>	
	<u>30/4/2022</u>	<u>30/4/2021</u>	<u>30/4/2022</u>	<u>30/4/2021</u>
	RM'000	RM'000	RM'000	RM'000
Interest income	(6)	(31)	(6)	(31)
Other income	(14)	(13)	(14)	(13)
Lease expenses	70	3	70	3
Depreciation	673	297	673	297
Unrealised loss on quoted investment	61	-	61	-
Provision for slow moving Inventories	-	52	-	52
(Gain)/loss on disposal of property, plant and equipment	-	(14)	-	(14)
Changes in fair value of biological assets	(7)	(58)	(7)	(58)
Foreign exchange (gain)/loss	(12)	(3)	(12)	(3)

The following items which were not disclosed were not applicable.

- a. Provision for and write off of receivables;
- b. Realised gain on disposal of quoted investment;
- c. Inventories written off
- d. Gain or loss on derivatives; and
- e. 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

There are no capital commitments during this quarter.

## 25. Earnings per share

### a) Basic Earnings per share

	<b>3 months ended</b>		<b>Year to date</b>	
	<u>30/4/2022</u>	<u>30/4/2021</u>	<u>30/4/2022</u>	<u>30/4/2021</u>
Net earnings (RM'000)	273	(573)	273	(573)
Weighted Average No. of shares ('000)	180,090	95,468	180,090	95,468
Basic earnings per share (sen)	0.15	(0.60)	0.15	(0.60)

### 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.

**Kuala Lumpur**  
**29 June 2022**

**By Order of the Board**  
**Wong Yuet Chyn**  
**Company Secretary**