

Financial Result Announcement

Reference No.	:	
Company Name	:	XL HOLDINGS BERHAD
Stock Name	:	XL
Date Announced	:	30/3/2023
Financial Year Ended	:	30/4/2023
Quarter	:	4

Quarterly report on consolidated results for the 4th quarter period ended 30 April 2023
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER ENDED 31/1/2023 (Unaudited) RM '000	PRECEDING YEAR QUARTER ENDED 31/1/2022 (Unaudited) RM '000	CUMULATIVE QUARTER CURRENT YEAR TO DATE ENDED 31/1/2023 (Unaudited) RM '000	PRECEDING YEAR TO DATE ENDED 31/1/2022 (Audited) RM '000
Revenue	10,504	27,690	69,259	84,237
Cost of sales	(6,136)	(24,457)	(56,911)	(76,063)
Gross Profit	4,368	3,233	12,348	8,174
Other incomes	30	49	593	282
	4,398	3,282	12,941	8,456
Depreciation and amortisation	(945)	(1,058)	(3,684)	(1,941)
Administrative and other operating expenses	(1,927)	(1,208)	(6,636)	(5,576)
Profit from operational	1,526	1,016	2,621	939
Finance cost	(64)	(166)	(262)	(177)
Share of profits and losses of associated companies	-	-	-	-
Profit before taxation	1,462	850	2,359	762
Taxation	(61)	(550)	(373)	(646)
Net profit for the period	1,401	300	1,986	116
Other Comprehensive income	-	-	-	-
Total Comprehensive income	1,401	300	1,986	116
Net profit attributable to				
-Owners of the parent	1,390	300	2,061	116
-Non-controlling interests	11	-	(75)	-
	1,401	300	1,986	116
Total Comprehensive profit attributable to				
-Owners of the parent	1,390	300	2,061	116
-Non-controlling interests	11	-	(75)	-
	1,401	300	1,986	116
Earnings per ordinary share				
Basic (sen)				
- from continuing operations	0.59	0.23	0.91	0.11
- from discontinued operation	0.00	0.00	0.00	0.00
	0.59	0.23	0.91	0.11
Fully diluted (sen)				
- from continuing operations	0.59	0.23	0.91	0.11
- from discontinued operation	0.00	0.00	0.00	0.00
	0.59	0.23	0.91	0.11

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

	AS AT CURRENT FINANCIAL PERIOD ENDED 31/1/2023 (Unaudited) RM '000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/1/2022 (Audited) RM '000
1 NON-CURRENT ASSETS		
Property, plant and equipment	85,219	45,261
Biological assets	12,606	1,944
Right-of-use assets	6,881	7,765
Goodwill	17,643	-
	<u>122,349</u>	<u>54,970</u>
2 CURRENT ASSETS		
Biological assets	2,239	2,043
Inventories	2,083	2,318
Investment	1,069	1,148
Trade and Other receivables	28,836	26,736
Prepayment	16	26
Current tax assets	103	28
Fixed deposits	1,000	1,000
Cash and bank balances	2,779	16,687
	<u>38,125</u>	<u>49,986</u>
TOTAL ASSETS	<u>160,474</u>	<u>104,956</u>
3 EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY		
Share capital	161,783	113,253
Treasury shares	(279)	(279)
Reserves	(26,888)	(28,949)
Total equity attributable to owners of the Company	134,616	84,025
Non-controlling interests	(97)	-
TOTAL EQUITY	<u>134,519</u>	<u>84,025</u>
4 NON-CURRENT LIABILITY		
Hire purchase	339	168
Lease liabilities	5,627	6,306
Deferred tax liabilities	12	12
	<u>5,978</u>	<u>6,486</u>
5 CURRENT LIABILITIES		
Trade and Other payables	17,832	12,324
Hire purchase	78	47
Lease liabilities	1,422	1,536
Current tax liabilities	645	538
	<u>19,977</u>	<u>14,445</u>
6 TOTAL LIABILITIES	<u>25,955</u>	<u>20,931</u>
7 TOTAL EQUITY AND LIABILITIES	<u>160,474</u>	<u>104,956</u>
8 NET ASSETS PER SHARE (RM)	<u>0.59</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 *	-	-	-	-	-	-	-
	113,253	-	(279)	-	-	(28,949)	84,025
Issue of share capital-placement	-	-	-	-	-	-	-
Issuance of redeemable convertible notes ("RCN")	48,530	-	-	-	-	-	48,530
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:	-	-	-	-	(75)	2,061	1,986
Dividend for the period ended:	-	-	-	-	-	-	-
Balance at 31 January 2023	161,783	-	(279)	-	(97)	(26,888)	134,519
<i>Balance at 1 February 2021</i>	<i>76,601</i>	<i>-</i>	<i>(279)</i>	<i>-</i>	<i>-</i>	<i>(29,065)</i>	<i>47,257</i>
<i>Prior year adjustment</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
	76,601	-	(279)	-	-	(29,065)	47,257
Issue of share capital-placement	12,729	-	-	-	-	-	12,729
Issuance of redeemable convertible notes ("RCN")	23,923	-	-	-	-	-	23,923
<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>116</i>	<i>116</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 2022	113,253	-	(279)	-	-	(28,949)	84,025

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

	CURRENT PERIOD ENDED 31/1/2023 (Unaudited) RM'000	PRECEDING PERIOD ENDED 31/1/2022 (Audited) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before taxation	2,359	762
Adjustment for:		
Allowance for slow moving inventories		
Depreciation of property, plant and equipment	2,050	933
Depreciation of right-of-use assets	1,634	1,009
Bad debt written off	-	2
Gain on disposal	(466)	(14)
FV gain on biological assets	(3,725)	-
Unrealised loss/(gain) on forex	1	-
Inventories written off	-	4
Unrealised loss/(gain) on investment	134	(54)
Interest income	(35)	(68)
Interest expense	262	177
Operating profit before working capital changes	2,214	2,751
Changes in working capital		
Net change in receivables	(1,942)	(22,033)
Net change in inventories and biological assets	39	(518)
Net change in payables	4,897	11,328
Cash (from)/used in operation	5,208	(8,472)
Tax refund/(paid)	(827)	(299)
Interest received	35	68
Net cash generated from/(used in) operating activities	4,416	(8,703)
CASH FLOW FROM INVESTING ACTIVITY		
Purchase of fixed assets	(26,718)	(10,780)
Acquisition of a subsidiary	(39,995)	-
Investment	(55)	(1,094)
Proceed from disposal of fixed asset	750	14
Net cash used in investing activities	(66,018)	(11,860)
CASH FLOW FROM FINANCING ACTIVITIES		
Amount due to director	17	(79)
Interest paid	(262)	(177)
Proceed from issuance of ordinary share and conversion of RCN	48,530	36,652
Repayment of lease liabilities	(591)	(1,009)
Net cash generated from financing activities	47,694	35,387
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(13,908)	14,824
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	17,687	2,863
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3,779	17,687
Cash and cash equivalents comprise:		
Cash and bank balances	2,779	16,687
Fixed deposits	1,000	1,000
	3,779	17,687

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.



XL HOLDINGS BERHAD
(199801012014(468142-U))
(Formally known as Xian Leng Holdings Berhad)

NOTES TO THE FINANCIAL STATEMENTS

1. Change In Financial Year End

The Company had on 27 December 2022 announced that it has changed its financial year end from 31 January to 30 April. Accordingly, the current financial period covers a fifteen (15) months' period from 1 February 2022 to 30 April 2023.

2. 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.

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 31 January 2023 in translation (units of Malaysian Ringgit per foreign currency) are as follows:

Foreign Currency	Exchange Rate
United States Dollar	4.219
Japanese Yen	0.032
100 Indonesian Rupiah	0.026



3. Audit Qualifications

The audit report of the Group's most recent annual financial statements for the year ended 31 January 2022 was not qualified.

4. Seasonality or Cyclicalities 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.

5. 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.

6. 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.

7. Changes in Debt and Equity Securities

During the financial period ended 31 January 2023, the Company issued 93,741,770 ordinary shares pursuant to the conversion of RM 52 million worth of RCN at average conversion price of RM 0.5547 per share.

Subsequent to the financial period ended 31 January 2023, the Company converted RM 2 million worth of RCN to 3,448,275 ordinary shares at average conversion price of RM 0.5800 per share

Following the above issuance of new shares, the Company has 238,657,973 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.

8. Dividend Paid

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



9. Segment Reporting

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

Current financial quarter ended 31 January 2023

	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
REVENUE							
Sales (Gross)	135	5,697	1,311	4,009	91	274	11,517
Inter-Segment sales	(126)	-	(376)	(511)	-	-	(1,013)
External	9	5,697	935	3,498	91	274	10,504
RESULT							
Segment result	(73)	(143)	(195)	190	(3)	1,750	1,526
Finance costs	(3)	-	(2)	(2)	-	(57)	(64)
Profit/(Loss) before tax	(76)	(143)	(197)	188	(3)	1,693	1,462
Tax expenses	-	-	-	(61)	-	-	(61)
Profit/(Loss) after tax	(76)	(143)	(197)	127	(3)	1,693	1,401

Previous year's corresponding quarter ended 31 January 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
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



9. Segment Reporting (cont'd)

Current financial period ended 31 January 2023

	Investment Holding RM'000	Foods RM'000	Fish Farming RM'000	Merchandise RM'000	Edible Bird Nest RM'000	Other RM'000	Total RM'000
REVENUE							
Sales (Gross)	542	50,686	5,707	15,827	465	483	73,710
Inter-Segment sales	(504)	-	(2,158)	(1,789)	-	-	(4,451)
External	38	50,686	3,549	14,038	465	483	69,259
RESULT							
Segment result	(606)	1,226	10	772	(10)	1,229	2,621
Finance costs	(14)	-	(4)	(7)	-	(237)	(262)
Profit/(Loss) before tax	(620)	1,226	6	765	(10)	992	2,359
Tax expenses	-	(270)	-	(103)	-	-	(373)
Profit/(Loss) after tax	(620)	956	6	662	(10)	992	1,986

Previous year corresponding financial period ended 31 January 2022

	Investment Holding RM'000	Foods RM'000	Fish Farming RM'000	Merchandise RM'000	Edible Bird Nest RM'000	Other RM'000	Total 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



10. Carrying Amount of Property, Plant and Equipment

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

11. Material Events Subsequent to the Balance Sheet Date

Subsequent to the financial period ended 31 January 2023, the Company converted RM 2 million worth of RCN to 3,448,275 ordinary shares at average conversion price of RM 0.5800 per share.

Save as disclosed above, there were no other material events subsequent to the end of the current financial period ended 31 January 2023 that have not been reflected in this quarter's report.

12. Changes in Composition of the Group

During the financial period ended 31 January 2023, the Company:

- (a) On 22 March 2022, 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 value of the identifiable net assets acquired and the goodwill disclosed as below:

<u>Identified assets and liabilities:</u>	RM
<u>Non-current assets</u>	
Property, Plant and equipment	23,260,926
<u>Current assets</u>	
Trade and other receivables	86,354
Cash and bank balances	3,299
Deposit & prepayment	58,760
	<u>23,409,339</u>
<u>Current liabilities</u>	
Trade and other payables	(541,835)
Taxation	(487,000)
	<u>(1,028,835)</u>
Purchase consideration	40,000,000
Less:-	
Fair value of identifiable net assets acquired	22,380,504
Goodwill on acquisition	<u>17,619,496</u>



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- (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:

<u>Identified assets and liabilities:</u>	RM	RM
<u>Non-current assets</u>		
Property, Plant and equipment	873	
<u>Current assets</u>		
Trade and other receivables	-	
Cash and bank balances	1,431	
Deposit & prepayment	3,170	
Due from director	44,979	
	<u>50,452</u>	
<u>Current liabilities</u>		
Trade and other payables	(96,657)	
	<u>(96,657)</u>	
Purchase consideration		10
Less:-		
Fair value of identifiable net assets acquired	(46,205)	
Non-controlling interest	22,640	
Net fair value of identifiable net assets acquired	<u>(23,565)</u>	(23,565)
Goodwill on acquisition		<u>23,575</u>

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

- (c) On 22 August 2022, the Company incorporated a new wholly-owned subsidiary, namely SFE Sdn Bhd. The intended principal activities of the new company is to explore new business opportunities in the food processing, aquaculture and agriculture activities.

Save as disclosed above, there were no changes in the composition of the Group during the current quarter and the financial period ended 31 January 2023.

13. 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.



14. Significant Related Party Transactions

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

15. Review of Performance

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

The Group recorded a total revenue of RM10.504 million for the quarter ended 31 January 2023 represented a decrease of 62.07% compared with RM27.690 million in the previous year's corresponding quarter. The Group registered a profit before tax of RM1.462 million as compared with profit before tax of RM0.850 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 RM0.135 million for the quarter ended 31 January 2023 as compared with RM0.265 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 2023.

This segment registered loss before tax of RM0.076 million as compared with loss before tax of RM0.155 million in the previous year's corresponding quarter mainly due to lower professional fee & admin expenses.

Foods Segment

The food segment recorded revenue of RM5.697 million for the quarter ended 31 January 2023 as compared with RM23.169 million in the previous year's corresponding quarter. Revenue decreased approximately 75.41% mainly due to the decrease in demand of food products during the current quarter.

This segment registered loss before tax of RM0.143 million as compared with profit before tax of RM1.024 million in the previous year's corresponding quarter mainly due to decrease in revenue.

Fish Farming Segment

The fish farming segment recorded revenue of RM1.311 million for the quarter ended 31 January 2023 as compared with RM1.130 million in the previous year's corresponding quarter. Revenue increased approximately 16.02% mainly due to the increase in sales volume of Arowana fish during the current quarter.

The fish farming segment registered a loss before tax of RM0.197 million as compared with loss before tax of RM0.300 million in the previous year's corresponding quarter. This was mainly due to the higher revenue and decrease in operating cost during the current quarter.

Merchandise Segment

The merchandise segment recorded revenue of RM4.009 million for the quarter ended 31 January 2023 represented increase of 2.45% as compared with RM3.913 million in the previous year's corresponding quarter. This was mainly due to increase in sales volume of fish food.

The merchandise segment registered a profit before tax of RM0.188 million as compared with profit before tax of RM0.113 million in the previous year's corresponding quarter. This was mainly due to increase in sales volume of fish food, better product mix and margin during the current quarter.



15. Review of Performance (Cont'd)

Edible Bird Nest Segment

The edible bird nest operations recorded revenue of RM0.091 million for the quarter ended 31 January 2023 as compared with RM0.290 million in the previous year's corresponding quarter. Revenue decreased approximately 68.62% and was mainly due to the decrease in sales during the current quarter.

The edible bird nest registered a loss before tax of RM0.003 million as compared with profit before tax of RM0.007 million in the previous year's corresponding quarter. This was mainly due to decrease in sales during the current quarter.

Other Segment

The revenue of RM0.274 million generated from the other segment for the quarter ended 31 January 2023 was mainly from the newly acquired companies, Ergobumi & XDSB.

The other segment registered a profit before tax of RM1.693 million as compared to a profit before tax of RM0.161 million in the previous year's corresponding period mainly due to the increase of the fair value of biological asset contributed by the newly acquired subsidiaries.

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

The Group recorded revenue of RM69.259 million for the 12 months period ended 31 January 2023 as compared with RM84.237 million in the previous year's corresponding period. Revenue decreased approximately 17.78%. The Group registered profit before tax of RM2.359 million as compared with profit before tax of RM0.762 million in the previous year's corresponding period. The performance is further explained below:

Investment Holdings Segment

The investment holding segment recorded revenue of RM0.542 million as compared to RM0.804 million in the preceding year corresponding period ended 31 January 2023. The income generated by Investment holding segment mainly consists of management fees and investment income during the current financial period ended 31 January 2023.

This segment registered loss before tax of RM0.620 million as compared with loss before tax of RM1.309 million in the previous year corresponding period mainly due to lower professional fee and admin expenses.

Foods Segment

The food segment recorded revenue of RM50.686 million for the twelve months period ended 31 January 2023 as compared to RM63.868 million in the previous year's corresponding period. Revenue increased approximately 20.64% mainly due to the decrease in sales volume of food products during the current financial period.

The food segment registered a profit before tax of RM1.226 million as compared to profit before tax of RM2.045 million in the previous year's corresponding period mainly due to decrease in demand for the food products.



15. Review of Performance (Cont'd)

Fish Farming Segment

The fish farming segment recorded revenue of RM5.707 million for the twelve months period ended 31 January 2023 as compared to RM4.563 million in the previous year's corresponding period. Revenue increased approximately 25.07% mainly due to the increase in sales volume of tropical fishes during the current financial period.

The fish farming segment registered a profit before tax of RM0.006 million as compared to loss before tax of RM0.248 million in the previous year's corresponding period. The reason for profit before tax in the current financial period under review was due to the gain on disposal of non-core asset during the current financial period.

Merchandise Segment

The merchandise segment recorded revenue of RM15.827 million for the twelve months period ended 31 January 2023 as compared with RM16.466 million in the previous year's corresponding period. Revenue decreased approximately 3.88%. This was mainly due to the decrease in sales volume of merchandise stocks during the current financial period.

The merchandise segment registered a profit before tax of RM0.765 million as compared with profit before tax of RM0.676 million in the previous year's corresponding period last year. The increase was attributable to better product mix and margin during the current financial period.

Edible Bird Nest Segment

The edible bird nest operations recorded revenue of RM0.465 million for the twelve months period ended 31 January 2023 as compared with RM2.960 million in the previous year's corresponding period. Revenue decreased approximately 84.29% and was mainly due to the decrease in demand during the current financial period.

Despite lower revenue, the loss before tax of RM0.010 million was lower than the loss before tax of RM0.012 million in the previous year's corresponding period. This was mainly due to the cost-cutting measures undertaken by the Group during the financial period.

Other Segment

The revenue from other segment of RM0.483 million for the twelve months period ended 31 January 2023 was mainly generated from newly acquired companies, plantation and logistics company.

The other segment registered a profit before tax of RM0.992 million as compared to a loss before tax of RM0.390 million in the previous year's corresponding period mainly due to the increase of the fair value of biological asset contributed by the newly acquired subsidiary company.



16. Variation of Results against the immediate Preceding Quarter

	Current Financial Quarter 31/1/2023 RM'000	Immediate Preceding Quarter 31/10/2022 RM'000	Changes %
Revenue	10,504	15,111	-30.49
Profits before Finance Cost, Depreciation and Amortisation, Exceptional Item, Minority Interest and Tax	2,471	863	186.33
Profits Before Tax	1,462	(114)	-1382.46
Profits After Tax	1,401	(131)	-1169.47

The Group recorded revenue of RM10.504 million for the quarter ended 31 January 2023 represented decrease of approximately 30.49% as compared to RM15.111 million in the immediate preceding quarter ended 31 October 2022. This was mainly due to decrease in demand of food products during the current quarter.

The Group registered a profit before tax of RM1.462 million during the current quarter ended 31 January 2023 as compared to loss before tax of RM0.114 million for the immediate preceding quarter ended 31 October 2022. This was mainly due to the increase of the fair value of biological asset.

17. Commentary on Prospects

Malaysia's economic growth is set to slow down in 2023 as global economy is expected to experience a mild recession amid stagnation/recession in major advanced economies on the impact of high inflation and the resultant high interest rates. 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 diversification of principal activities to include new business ventures such as food processing business, hatchery business, fruit planting business and delivery services of frozen and chilled products will provide an opportunity for the Group to grow its revenue and enhance its business portfolio to drive an improved financial performance.

The Board remains cautiously optimistic that the ongoing new businesses will contribute positively to the future profits of the Group in FY 2023.

18. Profit Forecast

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



19. Taxation

	Current Year Quarter	Current Year To-Date
	31/1/2023 RM'000	31/1/2023 RM'000
Current taxation	61	373
Deferred taxation	-	-
	<u>61</u>	<u>373</u>

The effective tax rate of the Group for the financial period to-date is lower than the statutory tax rate mainly due to non-taxable gains.

20. Status of corporate proposal announced

On 1 September 2021, the shareholders of the Company approved the Redeemable Convertible Notes ("RCN") programme, 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. The RCN 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 2023, RCN with an aggregate principal amount of RM 81.5 million were issued and RM 77.5 million have been converted into 139,361,498 ordinary shares of the Company at average conversion price of RM 0.5561 per share. The status of utilization of proceeds raised from RCN is as follows:

Purposes	Proposed Utilisation	Actual Utilisation as at 31/1/2023	Remaining Balance Carried Forward	Intended timeframe for utilisation
	(RM'000)	(RM'000)	(RM)	
Venture in to food processing	13,000	3,297	9,703	27/9/2023
Venture into feed mill (for aquaculture sector)	30,000	-	30,000	27/9/2024
Venture into hatchery related business	30,000	19,701	10,299	27/9/2024
Venture into cow farming business	30,000	-	30,000	27/9/2024
Venture into fruits and vegetables planting business	60,000	48,611	11,389	27/9/2024
Working capital for existing business and new business ventures	23,900	4,158	19,742	27/9/2024
Estimate expenses in relation to the Proposal	13,100	4,956	8,144	27/9/2024
	<u>200,000</u>	<u>80,723</u>	<u>119,277</u>	



21. Borrowings

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

	As at 31/1/2023
	(Unaudited) RM '000
Secure	
Short term:	
Hire Purchase	78
Long term:	
Hire Purchase	339
Total	<u>417</u>

22. Notes to the Condensed Consolidated Statement of Comprehensive Income

Operating profit is stated after charging/ (crediting):

	3 months ended		Year to date	
	<u>31/1/2023</u>	<u>31/1/2022</u>	<u>31/1/2023</u>	<u>31/1/2022</u>
	RM'000	RM'000	RM'000	RM'000
Interest income	(12)	(7)	(35)	(68)
Other income	(16)	(28)	(59)	(115)
Interest expenses	64	166	262	177
Depreciation	945	1,058	3,684	1,941
Unrealised (gain)/loss on quoted investment	141	(136)	134	(54)
Provision for slow moving Inventories	-	-	-	52
(Gain)/loss on disposal of property, plant and equipment	-	-	(466)	(14)
Foreign exchange (gain)/loss	(2)	(14)	(33)	(85)

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. Impairment of assets;
- e. Gain or loss on derivatives; and
- f. Exceptional items (with details)



23. Material litigation

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

24. 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.

25. Capital Commitments

There is no capital commitment as at the date of this report.

26. Earnings per share

a) Basic Earnings per share

	3 months ended		Year to date	
	<u>31/1/2023</u>	<u>31/1/2022</u>	<u>31/1/2023</u>	<u>31/1/2022</u>
Net earnings (RM'000)	1,401	300	1,986	116
Weighted Average No. of shares ('000)	234,583	130,484	226,932	104,701
Basic earnings per share (sen)	0.59	0.23	0.91	0.11

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
30 March 2023

By Order of the Board
Wong Yuet Chyn
Company Secretary