THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular (as defined herein), makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

XL Holdings Berhad

(Registration No.199801012014 (468142-U))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS OF XL HOLDINGS BERHAD AND ITS SUBSIDIARIES TO INCLUDE RETAILING AND WHOLESALING GROCERY BUSINESS ("PROPOSED DIVERSIFICATION")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser

APEX SECURITIES

APEX SECURITIES BERHAD
(Registration No. 197901003400 (47680-X))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting ("**EGM**") of our Company will be held at Balai Tunku Abdul Rahman, The Royal Commonwealth Society, No. 4, Jalan Birah, Damansara Heights, 50490 Kuala Lumpur, W.P. Kuala Lumpur on Thursday, 6 August 2026 at 9:00 a.m. or at any adjournment thereof, for the purpose of considering the Proposed Diversification. The notice of EGM together with the Form of Proxy are enclosed in this Circular.

If you are unable to attend and vote at the EGM, you may appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, you must complete and deposit the Form of Proxy in accordance with the instructions thereon so as to arrive at our Company's registered office at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan or fax to 03-30081124 or email to secretary@prosec.com.my not less than 48 hours before the time set for holding the EGM or at any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending, participating, and voting in person at the EGM, should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy	:	Tuesday, 4 August 2026 at 9:00 a.m.
Date and time of EGM	:	Thursday, 6 August 2026 at 9:00 a.m.
Venue of EGM	:	Balai Tunku Abdul Rahman, The Royal Commonwealth Society, No. 4, Jalan Birah, Damansara Heights, 50490 Kuala Lumpur, W.P. Kuala Lumpur

This Circular is dated 22 July 2026

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	:	Companies Act 2016
Acquisition	:	Acquisition of the Giant Mini Business Assets, which was completed on 31 May 2026
Agreement	:	Asset Purchase Agreement dated 30 April 2026 entered between JGSB and XLRSB for the Acquisition
Announcement	:	Announcement dated 25 May 2026 in relation to the Proposed Diversification
Apex Securities or **Adviser**	:	Apex Securities Berhad (Registration No. 197901003400 (47680-X))
Board	:	Board of Directors of XLHB
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Circular	:	This circular to our shareholders dated 22 July 2026 in relation to the Proposed Diversification
Director(s)	:	The director(s) of our Company and shall have the meaning given in Section 2(1) of the Act and Capital Markets and Services Act 2007
Edible Bird Nest	:	Trading and distribution of edible bird nest
EGM	:	Extraordinary general meeting
EPS	:	Earnings per Share
Existing Business Segments	:	Our Group's existing business segments which include Foods, Fish Farming, Merchandise, Growing Crop and Edible Bird Nest
Fish Farming	:	Breeding and rearing of fishery livestocks
Foods	:	Manufacturing and trading of edible foods, focusing on ready-to-serve meals
FPE	:	Financial period ended/ending, as the case may be
FYE	:	Financial year ended/ending, as the case may be
Giant Mini Business Assets	:	The assets acquired under the Acquisition as set out in Section 2.1 of this Circular
Giant Mini Outlets	:	The 34 minimart outlets operating under the trade name of "GIANT Mini", all located at various locations in the Klang Valley
Growing Crop	:	Agriculture activities involving pineapple farming
JGSB or **Seller**	:	Jutaria Gemilang Sdn Bhd (Registration No. 201201007298 (980818-X))
LAT	:	Loss after taxation
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities

LPD	:	17 July 2026, being the latest practicable date prior to the printing and despatch of this Circular
Merchandise	:	Trading of ornamental fishes and aquarium accessories, as well as the supply of pet food
NA	:	Net assets
PAT	:	Profit after taxation
Private Placement	:	The private placement of up to 10% of the total number of issued shares of XLHB, to independent third party investor(s) to be identified, at an issue price to be determined at a later date in accordance with the general mandate pursuant to Sections 75 and 76 of the Act as set out in the announcement dated 25 June 2026. The listing and quotation of the new XLHB Shares to be issued pursuant to the private placement has been approved by Bursa Securities on 16 July 2026.
Proposed Diversification	:	Proposed diversification of the existing business of our Group to include Retailing and Wholesaling Grocery Business
Purchase Consideration	:	A total purchase consideration of RM15.00 million to be satisfied entirely via cash under the Agreement
Retailing and Wholesaling Grocery Business	:	Business relating to the retailing and wholesaling of groceries
RM and **sen**	:	Ringgit Malaysia and sen, respectively
XLHB or **Company**	:	XL Holdings Berhad (Registration No. 199801012014 (468142-U))
XLHB Group or **Group**		XLHB and its subsidiaries, collectively
XLHB Share(s) or **Share(s)**	:	Ordinary share(s) in XLHB
XLRSB or **Purchaser**	:	XL Retail Sdn Bhd (formerly known as XL Farming Sdn Bhd) (Registration No. 202101012829 (1413128-T))

All references to "**we**", "**us**", "**our**" and "**ourselves**" in this Circular, if any, shall mean our Company or where the context requires, our Group.

References to "**you**" or "**your**" in this Circular, shall mean our shareholders, unless the context otherwise requires.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any statute, rules, regulations, enactment or rules of the stock exchange is a reference to such statute, rules, regulations, enactment or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

Any reference to a time of day and date in this Circular shall be a reference to Malaysian time of day and date, unless otherwise stated.
Any discrepancy in the figures included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Group's plans and objectives will be achieved.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS ONLY THE SALIENT INFORMATION OF THE PROPOSED DIVERSIFICATION. YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE ENTIRE CONTENTS OF THIS CIRCULAR INCLUDING THE APPENDICES AND NOT TO RELY SOLELY ON THIS EXECUTIVE SUMMARY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED DIVERSIFICATION TO BE TABLED AT OUR FORTHCOMING EGM.

Key Information	Description	Reference to Circular
Summary of the Proposed Diversification	The Proposed Diversification entails the diversification of our Existing Business Segments to include the Retailing and Wholesaling Grocery Business.	Section 2
Rationale and justification for the Proposed Diversification	The Proposed Diversification is expected to: (i) strengthen the financial performance of our Group, thereby enhancing shareholders' value in the long term; (ii) create an additional income stream for our Group; and (iii) complement the growth of our Group's Foods segment and Growing Crop segment.	Section 3
Risk factors	The risk factors relevant to the Proposed Diversification include the following: (i) Diversification risk; (ii) Dependency on key management personnel; (iii) Competition risk; (iv) Labour shortages and rising wages; (v) Termination and non-renewal of tenancy agreements; (vi) Supply chain disruptions; (vii) Changes in consumer purchasing patterns; and (viii) Political, economic and regulatory risk.	Section 5
Approvals required	The Proposed Diversification is subject to the approval being obtained from: (i) the shareholders of our Group at our forthcoming EGM; and (ii) any other relevant authorities and / or parties, if required.	Section 7
Interest of Directors, major shareholders, and/or persons connected to them	As at the LPD, none of the directors, major shareholders and/or persons connected with them have any interests, direct and/or indirect, in the Proposed Diversification.	Section 10

Key Information	Description	Reference to Circular
Directors' statement and recommendation	Our Board, having considered all aspects of the Proposed Diversification, including but not limited to the rationale, risk factors and prospects associated with the Proposed Diversification, is of the opinion that the Proposed Diversification is in the best interest of our Company and its shareholders. Our Board recommends that you **vote in favour** of the resolution pertaining to the Proposed Diversification to be tabled at our forthcoming EGM.	Section 11

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XL Holdings Berhad

(Registration No. 199801012014 (468142-U))
(Incorporated in Malaysia)

Registered Office:

DF2-09-02, Level 9, Persoft Tower
6B, Persiaran Tropicana
Tropicana Golf & Country Resort
47410 Petaling Jaya
Selangor Darul Ehsan

22 July 2026

Board of Directors

Ng Min Lin (Executive Chairman)
Kuan Kai Seng (Executive Director/ Chief Executive Officer)
Dato' Ng Jet Heong (Executive Director)
Jason Fong Jian Sheng (Senior Independent Non-Executive Director)
Rithauddin Hussein Jamalatiff bin Jamaluddin (Independent Non-Executive Director)
Ng Fun Kim (Independent Non-Executive Director)
Wong Jo Ann (Non-Independent and Non-Executive Director)

To: Our shareholders

Dear Sir/Madam,

PROPOSED DIVERSIFICATION

1. INTRODUCTION

On 25 May 2026, Apex Securities had, on behalf of our Board, announced that our Company wishes to undertake the Proposed Diversification.

Further details of the Proposed Diversification are set out in the ensuing sections of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED DIVERSIFICATION AND TO SET OUT THE RECOMMENDATION OF OUR BOARD AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED DIVERSIFICATION TO BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED DIVERSIFICATION TO BE TABLED AT OUR FORTHCOMING EGM.

FOR THE AVOIDANCE OF DOUBT, THE INFORMATION ON THE ACQUISITION AS CONTAINED IN THIS CIRCULAR AND APPENDIX ARE PROVIDED SOLELY FOR YOUR INFORMATION. THE ACQUISITION IS NOT SUBJECT TO THE APPROVAL FROM OUR SHAREHOLDERS.

2. DETAILS OF THE PROPOSED DIVERSIFICATION

As at the LPD, our Group are principally involved in the Existing Business Segments.

The segmental revenue breakdown of our Group for the past 3 financial years up to the FYE 30 April 2025 and the 12-month FPE 30 April 2026 are as follows:

	Audited			**Unaudited**
	FYE 30 April			**12-month FPE 30 April 2026**
	2023	**2024**	**2025**	
Business segment	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue				
Foods	61,879	44,255	80,727	91,372
Fish Farming	4,518	3,643	5,629	3,500
Merchandise	16,740	13,127	10,988	12,518
Growing Crop	77	8,580	10,481	19,481
Edible Bird Nest	548	279	83	225
Others(1)	627	649	1,214	1,981
Total revenue	**84,389**	**70,533**	**109,122**	**129,077**
PAT/(LAT)				
Foods	1,087	(500)	(533)	763
Fish Farming	281	(1,967)	(2,006)	(3,696)
Merchandise	455	1,720	764	1,119
Growing Crop	6,305	13,135	16,752	14,760
Edible Bird Nest	(204)	(1,030)	(1,705)	110
Others(1)	(1,734)	(2,466)	(2,422)	(1,450)

Note:

(1) The Others segment of our Group includes amongst others, trading of seaweed and hatchery businesses and provision of solar energy to the subsidiaries within our Group for internal consumption.

As shown in the table above, the Foods segment has been our Group's largest revenue contributor in the past financial years and the latest financial period. Despite being the largest revenue contributor, the Foods segment has recorded a LAT of RM0.50 million and RM0.53 million for the FYE 30 April 2024 and FYE 30 April 2025 respectively as compared to the PAT of RM1.09 million for FYE 30 April 2023. The Foods segment subsequently showed signs of recovery, recording a profit of RM0.76 million for the 12-month FPE 30 April 2026.

In view of the historical losses incurred and fluctuating profitability of the Foods segment, our Group has been exploring new business opportunities to diversify and broaden our Group's earnings base and to further complement and grow its Foods segment as well as Growing Crop segment.

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2.1 Background information on the Acquisition

On 4 May 2026, our Company announced that our wholly owned subsidiary, XLRSB, had on 30 April 2026 entered into the Agreement with JGSB to acquire certain business assets of the Seller for a Purchase Consideration of RM15.00 million. The assets to be acquired under the Acquisition include the following:

(i) tenancies to the Giant Mini Outlets;

(ii) all furnishings, fixtures and fittings, equipment and all other tangible assets used in the operation of the business at the Giant Mini Outlets;

(iii) all stocks and inventories located at each Giant Mini Outlets amounting to a minimum of approximately RM0.10 million per Giant Mini Outlet; and

(iv) the employees of Giant Mini Outlets*.

(Collectively referred to as the "**Giant Mini Business Assets**")

Note:

* *For further information, the existing employees of Giant Mini Outlets were given an option to either remain under the employment of JGSB and its group of companies or be offered new employment with XLRSB.*

In pursuit thereof, our Group has completed the Acquisition on 31 May 2026, where the Acquisition is a strategic move for our Group to diversify our Existing Business Segments to include the Retailing and Wholesaling Grocery Business. Please refer to Appendix I of this Circular for the salient terms of the Agreement.

2.1.1 Information on the Giant Mini Outlets

The "Giant Mini" brand was first launched in 2021 following the rebranding of 2 retail store brands. Giant Mini Outlets are convenient retail stores under the Giant brand, designed as one-stop minimarts offering daily fresh products, groceries, household essentials as well as everyday services such as bill payments and mobile top-ups.

Giant Mini Outlets focus on community convenience through smaller store sizes, more accessible locations and faster shopping experience. As at the LPD, there are 34 Giant Mini Outlets located across Klang Valley.

2.1.2 Information on the Seller

JGSB was incorporated in Malaysia on 5 March 2012 as a private limited company and is deemed registered under the Act. JGSB is principally engaged in the business of operating and managing convenience stores and mini markets.

As at the LPD, JGSB has an issued share capital of RM41.00 million comprising 6,300,001 ordinary shares and 700,000 preference shares. The directors and shareholders of JGSB and their respective shareholdings are as follows:

		Direct		Indirect	
Name	Role	No. of ordinary shares	%	No. of ordinary shares	%
Datuk Andrew Lim Tatt Keong	Director and Shareholder	3,150,001	50.00	-	-
Datuk Yap Keng Fatt	Director and Shareholder	3,150,000	50.00	-	-
	Total	**6,300,001**	**100.00**	-	-

Name	Role	Direct		Indirect	
		No. of preference shares	%	No. of preference shares	%
Datuk Andrew Lim Tatt Keong	Director and Shareholder	350,000	50.00	-	-
Datuk Yap Keng Fatt	Director and Shareholder	350,000	50.00	-	-
	Total	**700,000**	**100.00**	**-**	**-**

As at the LPD, JGSB does not have any subsidiaries, joint ventures, or associated companies.

2.1.3 Basis and justification for the Purchase Consideration

The Purchase Consideration of the Agreement was negotiated and arrived at on a "willing -buyer and willing-seller" basis and after considering, amongst others, the following:

(i) the furnishings, fixtures and fittings, equipment and all other tangible assets used in the operation of the business at the Giant Mini Outlets valued at RM10.00 million as of 29 April 2026;

(ii) stocks and inventories located at the Giant Mini Outlets valued at RM3.40 million in total (approximately RM0.10 million per Giant Mini Outlet) as of 29 April 2026;

(iii) covenants by the Seller under the Agreement; and

(iv) goodwill attributable to the established customer base and business operations valued at RM1.60 million as of 29 April 2026.

2.1.4 Mode of settlement of the Purchase Consideration and source of funding

Pursuant to the Agreement, the Purchase Consideration had been satisfied entirely in cash via our Group's internal funds in the following manner:

(i) RM1.00 million (or 6.67% of the Purchase Consideration) being the earnest deposit, was paid by XLRSB to the Seller's solicitors on 17 March 2026, prior to the execution of the Agreement;

(ii) RM2.00 million (or 13.33% of the Purchase Consideration) being the balance deposit was paid by XLRSB to the Seller's solicitors on 30 April 2026, upon execution of the Agreement;

(iii) RM8.60 million (or 57.33% of the Purchase Consideration) being the first balance purchase price was partially paid by XLRSB to the Seller's solicitors on 29 May 2026*; and

(iv) RM3.40 million (or 22.67% of the Purchase Consideration) being the final balance purchase price was paid by XLRSB to the Seller's solicitors on 31 May 2026.

Note:

* *For further information, XLRSB has made partial payment of RM8.26 million to the Seller's solicitors. The remaining sum of RM0.34 million shall be retained by the Purchaser until the fulfilment of certain post completion obligations by the Seller as set out in our Company's announcement dated 4 June 2026.*

2.1.5 Liabilities to be assumed

Save for the obligations and liabilities arising from or in connection with the Agreement pursuant to the Acquisition, there are no liabilities, including contingent liabilities and guarantees, to be assumed by our Group arising from the Acquisition.

2.1.6 Additional financial commitment required

There is no additional financial commitment required to be incurred by our Group in putting the assets acquired on-stream pursuant to the Acquisition as the Giant Mini Outlets are already in operation.

2.1.7 Highest percentage ratio

The highest percentage ratio for the Acquisition, pursuant to Paragraph 10.02(g) of the Listing Requirements, is 7.30%, calculated based on the Purchase Consideration compared with the audited NA of our Group as at 30 April 2025.

The Acquisition was not a related party transaction as none of the Directors and/or major shareholders of our Company and/or persons connected with them has any direct or indirect interest in the Acquisition. As such, the Acquisition was not subject to the approval of our shareholders.

2.1.8 Future expansion of the Giant Mini Outlets

As at the LPD, our Group operates a total of 34 Giant Mini Outlets within the Klang Valley region. Our Group intends to expand the number of Giant Mini Outlets by establishing approximately 20 new Giant Mini Outlets within the Klang Valley region between the 4th quarter of 2026 and the 4th quarter of 2027.

At this juncture, our Group is still deciding on the locations for the new Giant Mini Outlets, taking into consideration the potential growth in the target areas, customer traffic and rental terms for the new outlets. The expansion plan aims to increase the market presence of Giant Mini Outlets within Klang Valley while providing greater accessibility and convenience for the public. The expansion of the new Giant Mini Outlets will be funded via proceeds raised from the Private Placement, bank borrowings and/ or internally generated funds.

The Proposed Diversification and expansion plan will allow our Group to diversify its earnings base by venturing into a new business segment, which is the Retailing and Wholesaling Grocery Business. The Proposed Diversification is expected to strengthen the financial performance of our Group through the introduction of a new revenue stream. Furthermore, the expansion is expected to support the growth of our Group's Foods segment and Growing Crop segment as our Group intends to make available its ready-to-serve meals and pineapple products for sale at Giant Mini Outlets.

In view of the above, our Board anticipates that the Proposed Diversification and expansion plan are expected to result in either:

(i) the contribution from the Retailing and Wholesaling Grocery Business of 25.00% or more of the net profits of our Group; and

(ii) the diversion of 25.00% or more of our Group's NA to the Retailing and Wholesaling Grocery Business which differs widely from those operations previously carried on by our Group.

As such, our Board proposes to seek the approval of our Company's shareholders for the Proposed Diversification, as required pursuant to Paragraph 10.13(1) of the Listing Requirements.

For avoidance of doubt, the Acquisition itself will not cause the Company to trigger the requirements under Paragraph 10.13(1) of the Listing Requirements.

2.2 Key management personnel

Our Group has identified the following key management personnel to oversee and lead the Retailing and Wholesaling Grocery Business. The profiles of the key management personnel are set out below:

(i) Ng Min Lin

Ng Min Lin, a Malaysian aged 47, is the Executive Chairman of our Company. He was appointed to our Board on 11 January 2021. He is responsible for overseeing our Group's business strategies and managing the corporate development of our Group. He graduated with a Bachelor of Commerce, majoring in Finance and Accounting from the University of New South Wales, Sydney, Australia in 2002.

He began his career as an audit associate with KPMG, Penang. Subsequently, he joined Matrix Valley Corporation Sdn Bhd, a company that manufactures and franchises water vending machines as the Corporate Development Manager. He was promoted to Group Finance Director when Matrix Valley PLC was listed on the PLUS Market (now known as Icap Securities and Derivatives Exchange) in the United Kingdom. He left Matrix Valley PLC in 2008 and established Esabee Biotika Sdn Bhd ("**EBSB**"), a multi-level marketing company specialising in microalgae products. He was the Chief Executive Officer of EBSB until his resignation in 2011.

Currently, Ng Min Lin is the Executive Chairman of MAG Holdings Berhad, a company listed on the ACE Market of Bursa Securities, which is involved in the aquaculture industry as well as the edible oil business. He is also the Chief Executive Officer of the North Cube group of companies, which is involved in aquaculture, food processing, export and retail of seafood product.

As the Executive Chairman of our Company, he will be directly involved in the implementation of the Retailing and Wholesaling Grocery Business, leveraging his extensive experience in corporate development, food-related business, aquaculture, retail operations and supply chain management to ensure the success of this new venture. In carrying out his role, he will be supported by the existing management team and employees of Giant Mini Outlets, to ensure continuity of operations and supporting our Group's expansion into the Retailing and Wholesaling Grocery Business.

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(ii) Stephenie Wong Siew Li

Stephenie Wong Siew Li, a Malaysian aged 45, is the Chief Merchandising Officer of XLRSB. She joined XLRSB on 15 May 2026. She is responsible for overseeing the merchandising strategy, category management, sourcing, private label development, pricing, and commercial operations for our Group’s Retailing and Wholesaling Grocery Business.

Stephenie brings more than 20 years of experience in the retail and grocery industry across Malaysia and Southeast Asia.

She began her career in 2001 with GCH Retail (M) Sdn Bhd as a Management Trainee before progressing to Category Manager and subsequently Senior Category Manager, where she played a key role in enhancing the health and beauty retail concept across hypermarkets to improve customer shopping experience.

In 2013, she joined AEON BIG (M) Sdn Bhd as Senior Division Manager, leading initiatives that drove sales growth, profitability improvements, and the expansion of the “BIG Value” private label programme within the grocery non-food division.

She rejoined GCH Retail (M) Sdn Bhd in 2017 as General Manager of the grocery division and was later appointed as Head of Commercial (Grocery), Southeast Asia in 2020. In this regional role, she spearheaded transformation initiatives and introduced new retail concepts across Malaysia, Singapore and Indonesia.

She subsequently served as Chief Merchandising Officer of City Bakers Enterprise Sdn Bhd in 2021 and Ample Prosperity Sdn Bhd in 2023. Prior to joining XLRSB, she was General Manager of Merchandising at Star Grocer Sdn Bhd, where she successfully transformed the merchandising operating model, strengthened vendor partnerships and drove the company’s commercial growth.

With her commercial leadership, regional retail experience and proven track record in merchandising transformation, she will be able to support our Group's strategic expansion in the Retailing and Wholesaling Grocery Business.

(iii) Gunasinggam Perumal

Gunasinggam Perumal, a Malaysian aged 61, is the Chief People Officer of XLRSB. He joined XLRSB on 15 May 2026 and he is responsible for overseeing the human resources functions of XLRSB. He holds a Bachelor of Social Science (Psychology) from Universiti Kebangsaan Malaysia in 1991.

He began his career as a Graduate Management Trainee at AEON Co. (M) Bhd in 1992, where he was exposed to various retail departments and customer service operations. He was promoted to Customer Care Manager in 2003 where he spearheaded a company-wide cashier reformation initiative and established new service standards for better customer experience. Subsequently he was appointed as Store Manager in 2005, overseeing daily store operations, managing staff performance and achieving sales and operational targets.

He joined Tesco (M) Bhd in 2008 as Store General Manager where he managed stock control and ensure smooth daily operation of the retail store. He returned to AEON Co. (M) Bhd in 2011 as Store Manager and was promoted to Learning and Development Manager where he was tasked to develop training programmes for the employees in the organisation.

He was subsequently promoted to Regional Senior Manager at AEON Co. (M) Bhd in 2014 where he was responsible for overseeing and managing the daily operation of the stores under his portfolio. He joined Asia Pacific Retail Academy in 2021 as Training Consultant, where he designed and developed retail training programmes for the retail clients until his resignation in 2025.

As the Chief People Officer of XLRSB, he will be responsible for overseeing the human resources functions of our Group’s Retailing and Wholesaling Grocery Business which includes recruitment and employee performance management.

Premised on the above, our Board is of the view that our Group has the necessary key management personnel to ensure the successful implementation of the Retailing and Wholesaling Grocery Business, as our Group has the capacity, capability and resources for the Proposed Diversification. As at the LPD, our key management personnel are assisted by 4 management level personnel at our headquarters and we estimate that we will need to hire an additional 13 personnel (consisting of 3 management level and 10 executive level) to support the current operations of the Retailing and Wholesaling Grocery Business at our headquarters.

We also expect to hire more personnel and outlet staff to support our expansion plan but the recruitment will be carried out progressively based on the progress and operational requirements of the expansion as well as the availability of suitable candidates. Additionally, our Group will ensure continuity and sustainability of the Retailing and Wholesaling Grocery Business by developing internal talent through trainings and leadership development programmes to strengthen the management pipeline.

3. RATIONALE AND JUSTIFICATION FOR THE PROPOSED DIVERSIFICATION

The Proposed Diversification is undertaken as part of our Group’s long-term business strategy to strengthen and diversify our earnings base through the expansion into the Retailing and Wholesaling Grocery Business. Leveraging our Group’s existing experience in food manufacturing, trading and supply chain management, together with the support of the existing employees of Giant Mini, our Group is well-positioned to leverage its existing operational infrastructure, sourcing networks and product knowledge to support the management and growth of the Retailing and Wholesaling Grocery Business.

Our Board is of the view that the Proposed Diversification is expected to contribute positively to our Group’s revenue and future earnings as the Retailing and Wholesaling Grocery Business has stable consumer demand and recurring cash flows, as it involves the sale of essential products such as food, beverage, household and personal care products that consumers purchase on a frequent and recurring basis.

While the Growing Crop segment has been historically the largest profit contributor to our Group, its further expansion is subject to various factors such as the availability of suitable agricultural land, capital investment requirements and exposure to weather-related risks. The Retailing and Wholesaling Grocery Business provides our Group with an opportunity to expand through a comparatively more scalable business model via the increase in number of retail outlets, expansion of customer base and broadening of product offerings. In addition, the Retailing and Wholesaling Grocery Business complements our Group's existing Growing Crop segment by providing an additional distribution channel for our Group's agricultural product (i.e. pineapple products), thereby creating operational synergies and supporting long-term growth.

Premised on the above and the favourable prospects of the retail and wholesale industry as set out in Section 4.2 of this Circular, our Board is of the view that the Proposed Diversification is expected to strengthen the financial performance of our Group, thereby enhancing shareholders’ value in the long term. The Proposed Diversification is expected to create an additional income stream for our Group and also complement the growth of our Group’s Foods segment and Growing Crop segment.

4. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS OF OUR GROUP

4.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded by 5.4% in the first quarter of 2026 (4Q 2025: 6.2%), driven mainly by domestic demand. Household spending remained supported by positive labour market conditions, with the unemployment rate staying low, alongside targeted policy measures. Investment growth was underpinned by continued implementation of multi-year projects by both the private and public sectors, a high realisation rate of approved investments, and the ongoing rollout of national master plans. On the external front, export growth remained strong, driven mainly by continued expansion in electrical and electronics (E&E) exports. Meanwhile, gross import growth moderated amid slower growth in capital, intermediate and consumer goods imports.

On the supply side, growth in services sector moderated, reflecting a moderation in motor vehicle sales following the front-loading of purchases in the fourth-quarter ahead of the expiration of import duty waivers for electric vehicles. Meanwhile, manufacturing sector performance remained supported by stronger E&E performance, in line with continued demand for artificial intelligence and data centre-related components. Growth in the agriculture sector was lower amid normalisation in palm oil production following high output previously and ongoing replanting activities. The mining and quarrying sector contracted, mainly due to weaker oil and gas production. In addition, growth in the construction sector normalised from a double-digit growth amid a moderation in residential construction and civil engineering activities. On a quarter-on-quarter, seasonally-adjusted basis, the economy contracted by -0.01% (4Q 2025: 1.4%) given last quarter's very strong performance. As a small and open economy, Malaysia will inevitably face both direct and indirect impact from the ongoing geopolitical conflict in the Middle East. Higher energy prices, supply chain disruptions, and heightened uncertainty are expected to weigh on the external environment. Nevertheless, the Malaysian economy is expected to remain resilient in 2026, with growth expected to come in within the range of 4% - 5%, supported by steady domestic demand and continued expansion in our export performance.

The resilient domestic demand will provide a strong buffer against external headwinds. Household spending will be underpinned by firm labour market conditions and continuous policy support. Investment activity will be driven by the continued progress of multi-year projects in both the private and public sectors, as well as the ongoing implementation of national master plans. Despite the external headwinds, export growth will continue to be supported by the global technology expansion, particularly for E&E goods, reflecting Malaysia's role in global value chains.

(Source: Quarterly Bulletin, First Quarter 2026, Bank Negara Malaysia)

In 2026, Malaysia's economy is projected to expand between 4% and 4.5%, supported by resilient domestic demand and a steady external sector. Growth will be anchored by private consumption, boosted by the implementation of the salary adjustment under Phase 2 of the Public Service Remuneration System ("**SSPA**"), continuation of targeted assistance programmes and robust tourism activities in conjunction with Visit Malaysia 2026 ("**VM2026**"). In addition, strong investment performance will be supported by higher capital expenditures, particularly in high-impact strategic sectors. The services and manufacturing will remain key drivers of growth, complemented by sustained construction and agriculture sectors.

The domestic demand in 2026 is expected to register a growth of 5.4%, steered by sustained private sector expenditure at 5.7%. Strong consumption and investment activities will keep the private sector's contribution significant at 4.5 ppt to gross domestic product (GDP) growth. Meanwhile, public expenditure is anticipated to rise by 4.4%, contributing 0.8 ppt to overall growth. Private consumption is projected to grow by 5.1%, driven by sustained income growth and favourable employment prospects.

In addition, spillover effects from the implementation of Phase 2 of the SSPA, Sumbangan Tunari Rahmah (STR) and the Budi Madani RON95 (BUDI95) targeted subsidy programme are expected to provide further impetus to household spending, particularly among lower- and middle-income groups. Consumer spending will also be stimulated by higher tourism-related activities alongside major national and international events, including VM2026 and Malaysia Agriculture Horticulture and Agrotourism Exhibition 2026 ("**MAHA 2026**") as well as 2026 FIFA World Cup and BWF Thomas & Uber Cup 2026.

Headline inflation is projected to range between 1.3% and 2% in 2026, reflecting a continued environment of manageable price growth. The outlook is shaped by steady domestic demand, stable labour market conditions as well as policies that support household purchasing power and market stability. Price pressures are anticipated to remain contained, supported by ongoing improvements in supply chains and productivity, with producer-price movements gradually passing through to consumers. Risks to the outlook are broadly balanced with upside risks include potential adjustments to domestically administered prices or higher global commodities. However, downside risks stemming from a stable ringgit, ongoing policy measures and any further easing in global food and energy prices would temper inflation.

(Source: Economic Outlook 2026, Ministry of Finance Malaysia)

4.2 Overview and outlook of the retail and wholesale industry in Malaysia

The wholesale and retail trade subsector grew by 4.3% in the first half of 2025, with sustained performance observed, particularly in the wholesale and retail trade segments. The subsector is anticipated to expand by 4.4% in the second half of the year, driven by retail trade segment attributed to higher domestic consumption and visitor spending. Meanwhile, steady income growth, expansion of initiatives under Payung Rahmah as well as the Penghargaan Sumbangan Asas Rahmah (SARA) RM100 One-off, will further spur household spending.

The wholesale and retail trade subsector will remain the key driver for the services sector, with a growth of 5% mainly attributed to the retail segment. Vigorous seasonal sales and promotional campaigns across stores as well as e-commerce and social media platforms will stimulate buying activities. In addition, initiatives such as product demonstrations and in-store placements as well as attractive pricing strategies will enhance sales of locally made products.

(Source: Economic Outlook 2026, Ministry of Finance Malaysia)

Malaysia's retail industry reported a positive growth rate of 2.4% for the entire year of 2025. This final annual growth rate was below market expectation. In November 2025, the estimate by Retail Group Malaysia was 3.6%.

For the fourth quarter of 2025, Malaysia's retail industry recorded a growth rate of 2.5% in retail sales, as compared to a growth rate of 3.5% for the same period in 2024. Despite the year-end festival and holidays, the sales performances of numerous retail sub-sectors were discouraging during the fourth quarter of 2025. The department store cum supermarket sub-sector suffered a negative growth rate of 2.3% during the fourth quarter of 2025. For the entire year, the business of this sub-sector dropped by 0.7%. Similarly, the supermarket and hypermarket sub-sector achieved a disappointing growth rate of -1.8% during the fourth quarter of 2025. The annual growth rate of this sub-sector was 1.0% in 2025.

On the other hand, the mini-market, convenience store & cooperative sub-sector outperformed other sub-sectors during the fourth quarter of 2025. During this period, it grew by 15.9%. For the whole year, it expanded by 13.2%.

During the first quarter of 2026, the department store cum supermarket operators are hopeful of a recovery with a growth rate of 4.3% The supermarket and hypermarket sub-sector are expected to achieve a moderate growth rate of 2.6% for the first quarter of 2026. After a strong performance in 2025, operators of mini-market, convenience store and cooperative are expecting its growth to moderate at 10.9% during the first 3 months of 2026.

Overall, for the first quarter of 2026, Malaysia retail industry is expected to enjoy a promising growth of 4.4%. The two largest festivals in Malaysia were celebrated during the first quarter. The Malaysian retail industry is projected to grow moderately by 3.3% during the second quarter in 2026, as compared to the same period in 2025. The retail sector in the country is anticipated to expand by 3.0% during the third quarter of 2026. For the last quarter of 2026, Malaysia retail industry is hopeful of a 4.6% growth rate as compared to the same period in 2025. This growth rate will be contributed by strong sales from festive celebrations and year-end holidays.

(Source: Malaysia Retail Industry Report, Fourth Quarter 2025, Retail Group Malaysia)

4.3 Prospects of our Group

The Proposed Diversification is expected to strengthen our Group's long-term earnings resilience and growth potential. Through the Acquisition, our Group will gain immediate access to an existing retail network, customer base and operational workforce, thereby enabling our Group to accelerate its entry into the grocery retail segment.

Our Board believes that the Retailing and Wholesaling Grocery Business is supported by resilient consumer demand characteristics, as grocery and daily essential products generally remain less susceptible to economic cyclicality. Accordingly, the Proposed Diversification is expected to provide our Group with a more stable and recurring income stream, while reducing reliance on its Existing Business Segments.

The Proposed Diversification is also expected to create operational and commercial synergies with our Group's Foods segment and Growing Crop segment as our Group intends to make available for sale its ready-to-serve meals and pineapple products at Giant Mini Outlets. The Giant Mini Outlets are expected to provide our Group with direct access to a broader customer base and reduce its reliance on third party distributors and thereby reducing the costs.

Moving forward, our Group will focus on the expansion plan as well as stabilising and strengthening the operations of the existing Giant Mini Outlets while enhancing operational efficiencies and integration across our Group. Notwithstanding that the Acquisition was only recently completed, our Board believes that the expansion plan as further detailed in Section 2.1.8 of this Circular is a commercially viable progression as our Group has acquired an established business with an experienced workforce, strong supplier network and existing customer base.

In addition, the expansion plan will be carried out progressively by establishing approximately 20 new outlets from the 4th quarter of 2026 to the 4th quarter of 2027. Such expansion is expected to strengthen the market presence of Giant Mini Outlets within the Klang Valley region. Our Group is currently in the midst of identifying strategic locations for the new outlets. The estimated capital and working capital requirements for the expansion of Giant Mini Outlets will include amongst others, costs relating to renovation of new outlets, rental deposits, staff recruitment and outlet equipment. Such expenditure will be funded via proceeds raised from the Private Placement, bank borrowings and/ or internally generated funds.

In addition, our Group remains mindful of external challenges, including competitive market dynamics, broader macroeconomic and geopolitical uncertainties. Notwithstanding these challenges, our Board is cautiously optimistic that our Group's strengthened and more diversified business portfolio as well as experienced management team will place our Group in a better position to manage such risks and capitalise on growth opportunities as they arise.

Barring any unforeseen circumstances, our Board expects the Proposed Diversification to contribute positively to our Group's financial performance and earnings, and to deliver sustainable long-term value to our shareholders.

(Source: Management of XLHB)

5. RISK FACTORS

The risk factors relevant to the Proposed Diversification include the following:

(i) Diversification risk

The Proposed Diversification would result in our Group being exposed to new challenges and risks arising from the Retailing and Wholesaling Grocery Business, including but not limited to global and regional economic downturns, competition from existing players and entry of new players, socio-political stability and changes in the legal environmental framework within which the industry operates in. There can be no assurance that the anticipated benefits of the Proposed Diversification will be realised.

Our Group seeks to mitigate the new business risks by, amongst others, leveraging on the experience and expertise of the key management personnel of our Group. The knowledge and experience of the key management personnel will help our Group to transition smoothly into the new business segment.

(ii) Dependency on key management personnel

The operations of the Retailing and Wholesaling Grocery Business will depend significantly on the ability, expertise and continued efforts of our Group's key management personnel as identified in Section 2.2 of this Circular, for the Retailing and Wholesaling Grocery Business. Any loss of these key management personnel without suitable and timely replacements and an inability to attract or retain qualified and suitable personnel may have an adverse impact on our Group's businesses.

Our Company will adopt the appropriate approaches or measures such as offering competitive remuneration packages to retain such key personnel. In addition, to avoid over dependency on any key management personnel, our Company will also strive to attract qualified and experienced employees to support the Retailing and Wholesaling Grocery Business by exploring opportunities to recruit such employees through measures such as engaging recruitment agencies and/or requesting for referrals from stakeholders in the industry including our existing suppliers and customers.

(iii) Competition risk

Our Group faces competition from existing competitors and/or new entrants operating in similar businesses related to the Retailing and Wholesaling Grocery Business. Nevertheless, our Group will take proactive measures to remain competitive in the Retailing and Wholesaling Grocery Business by, amongst others, constantly keeping abreast with the latest market conditions, and making efforts in maintaining a competitive edge in terms of cost efficiency, service quality, product quality and reliability.

However, there can be no assurance that our Group will be able to compete effectively with existing and new entrants in similar business related to the Retailing and Wholesaling Grocery Business in the future, which may materially affect our Group's financial performance.

(iv) Labour shortages and rising wages

The Retailing and Wholesaling Grocery Business is labour-intensive and requires extensive manpower in areas such as store operations, warehousing and inventory management. As our Group progressively expand the Giant Mini Outlets, the manpower requirements are expected to increase correspondingly. Any inability to recruit and retain sufficient manpower on a timely basis may adversely affect the operational efficiency of our outlets, customer service standards and overall business operations.

In addition, increase in employee remuneration and other staff-related costs may result in higher operating expenses, which could adversely affect the profitability and financial performance of the Retailing and Wholesaling Grocery Business.

Our Group will focus on hiring, training, managing and retaining employees with suitable skill sets, ensuring the availability of proficient personnel. Our Group will also undertake prudent manpower planning by recruiting personnel in phases according to our expansion requirements to avoid excessive staffing cost.

(v) Termination and non-renewal of tenancy agreements

As at the LPD, all 34 Giant Mini Outlets operate under tenancy agreements, and our Group does not own the premises from which these outlets operate. Accordingly, our Group is exposed to the risk of termination or non-renewal of tenancy agreement in the event we are unable to renew the tenancy agreement on terms commercially acceptable to our Group and the landlords. If we are unable to renew the tenancy agreement, we may incur additional cost to relocate our outlet to a new location or be constrained to close down the affected outlets, resulting in the disruption of our business operations.

Nevertheless, our Group seeks to mitigate this risk by engaging with the respective landlords for the negotiation of the renewal terms prior to the expiration of the tenancy. For new outlets, our Group will evaluate the commercial viability of the prospective outlet locations prior to entering into tenancy agreements and negotiate commercially reasonable rental terms as well as renewal options.

(vi) Supply chain disruptions

The Retailing and Wholesaling Grocery Business is highly dependent on a continuous, and efficient supply chain. Our Group will need to procure a wide range of inventory, including fresh produce, dry goods, and fast-moving consumer goods from various suppliers, distributors, and manufacturers. Any significant disruption in the supply chain could result in inventory shortages, delayed deliveries, or a sudden spike in the cost of merchandise.

To mitigate the risk, our Group will diversify the supplier base across multiple vendors to reduce reliance on any single source for its core inventory. Our Group will also implement prudent procurement strategies and closely accessing market trends to anticipate the supply constraints.

(vii) Changes in consumer purchasing patterns

The Retailing and Wholesaling Grocery Business is exposed to risks arising from changes in consumer purchasing patterns. Consumer preferences, spending behaviour and shopping habits may change due to various factors such as economic conditions, changes in trends and styles, increased adoption of online shopping platforms and evolving preferences for different product category.

To mitigate these risks, our Group aims to continuously monitor market trends, customer preferences and purchasing behaviours to ensure that its product offerings remain relevant to consumers. Furthermore, our Group will also review and adjust its product range, pricing strategies and promotional activities, while leveraging on customer feedback and sales data to improve inventory planning and enhance customer satisfaction.

(viii) **Political, economic and regulatory risk**

Adverse changes in the political, economic and regulatory conditions in Malaysia could materially and adversely affect the financials and prospects of our Group. These risks include, amongst others, risks of war, changes in political state, economic downturn and unfavourable changes in governmental policies such as methods of taxation or introduction of new regulations on retailing and wholesaling grocery industry, which are generally beyond the management's control and affect all the players in the industry.

In mitigating such risks, our Group will monitor the key developments in the political, economic and regulatory conditions mentioned above and continue to review its business strategies in response to the changes in political, economic and regulatory conditions.

6. EFFECTS OF THE PROPOSED DIVERSIFICATION

6.1 Share capital and substantial shareholders' shareholding

The Proposed Diversification will not have any effect on the share capital or the substantial shareholders' shareholding in our Company as it does not involve the issuance of new ordinary shares in our Company.

6.2 NA, NA per Share and gearing

Barring any unforeseen circumstances, the Proposed Diversification is not expected to have any material effect on the NA, NA per Share and gearing of our Group. However, the expected profit contributions from the Proposed Diversification will have a positive impact on our Group's NA once the potential benefits materialise.

6.3 Earnings and EPS

The Proposed Diversification is not expected to have any immediate effect on our Group's earnings and EPS.

However, our Board believes that the Proposed Diversification will contribute positively to our Group's future earnings and EPS in the future in view of the expected profit contribution from the Retailing and Wholesaling Grocery Business.

7. APPROVALS REQUIRED

The Proposed Diversification is subject to the approval being obtained from:

(i) the shareholders of XLHB at our forthcoming EGM; and

(ii) any other relevant authorities and / or parties, if required.

8. CONDITIONALITY

The Proposed Diversification is not conditional upon any other proposals undertaken or to be undertaken by our Group.

9. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Saved for the Proposed Diversification and the Private Placement, our Company does not have any other outstanding proposals that have been announced but pending completion as at the LPD.

10. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, AND/OR PERSONS CONNECTED TO THEM

As at the LPD, none of the directors, major shareholders and/or persons connected with them have any interests, direct and/or indirect, in the Proposed Diversification.

11. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board, having considered all aspects of the Proposed Diversification, including but not limited to the rationale, risk factors and prospects associated with the Proposed Diversification, is of the opinion that the Proposed Diversification is in the best interest of our Company and our shareholders.

Our Board recommends that you **vote in favour** of the resolution pertaining to the Proposed Diversification to be tabled at our forthcoming EGM, the details of which are set out in the cover page of this Circular and notice of EGM enclosed.

12. ESTIMATED TIMEFRAME FOR COMPLETION

The Proposed Diversification will take immediate effect upon the receipt of approval from our shareholders at our forthcoming EGM.

13. EGM

The notice convening our EGM and the Form of Proxy are enclosed in this Circular. Our EGM will be held at Balai Tunku Abdul Rahman, The Royal Commonwealth Society, No. 4, Jalan Birah, Damansara Heights, 50490 Kuala Lumpur, W.P. Kuala Lumpur, on Thursday, 6 August 2026 at 9:00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution to give effect to the Proposed Diversification.

If you are unable to attend and vote at our EGM, you may appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, you must complete and deposit the Form of Proxy in accordance with the instructions thereon so as to arrive at the Company's registered office at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan or fax to 03-30081124 or email to secretary@prosec.com.my, not less than 48 hours before the time set for holding our EGM or at any adjournment thereof.

The lodgement of the Form of Proxy does not preclude you from attending and voting at our EGM should you subsequently wish to do so.

14. FURTHER INFORMATION

Please refer to the appendices sets out in this Circular for further information.

Yours faithfully,
For and on behalf of our Board of
XL HOLDINGS BERHAD

Ng Min Lin
Executive Chairman

SALIENT TERMS OF THE AGREEMENT

The salient terms of the Agreement include the following:

1. Agreement to sell and purchase

1.1 The Seller currently owns and operates the Giant Mini Outlets.

1.2 The Seller has agreed to sell, transfer, assign, convey and deliver and the Purchaser has agreed to accept the sale, conveyance, assignment and transfer of all rights, benefits, title and interest to the Giant Mini Business Assets upon the terms and conditions contained in the Agreement.

2. Purchase Price and Terms

2.1 The Giant Mini Business Assets are sold on an "as is" "where is" basis and shall be free from all pledges or liens or any other encumbrances and together with all rights, benefits, title and interests attaching to the Giant Mini Business Assets as at the completion date, subject always to the representations and warranties, and terms and conditions contained in the Agreement.

2.2 The Purchase Consideration of RM15.00 million shall be payable in the following manner:

(a) the sum of RM1.00 million had been paid by the Purchaser to the Seller's Solicitors prior to the execution of the Agreement as earnest deposit and part payment of the Purchase Consideration ("**Earnest Deposit**");

(b) the sum of RM2.00 million shall be paid by the Purchaser to the Seller's Solicitors upon the execution of the Agreement as balance deposit and part payment of the Purchase Consideration ("**Balance Deposit**");

(c) the sum of RM8.60 million shall be paid by the Purchaser to the Seller's Solicitors on or before 20 May 2026, or such further period as may be mutually agreed by the parties in writing, as part payment of the Purchase Consideration ("**1st Balance Purchase Consideration**");

(d) the sum of RM3.40 million shall be paid by the Purchaser to the Seller's Solicitors on the Completion Date (as defined in clause 4.1 below) ("**Final Balance Purchase Consideration**").

3. Conditions precedent

3.1 The completion and/or performance of the Agreement is conditional upon the fulfilment of the following conditions on or before 20 May 2026, or such further period as may be mutually agreed upon by the parties in writing:

(a) That the resolution of Seller's Board of Directors has been obtained and forwarded to the Purchaser's Solicitor immediately after the execution of the Agreement whereby the Seller's Board of Directors has agreed to the sale of the assets of the Seller in Giant Mini Outlets to the Purchaser, on a "as is" "where is" basis, subject to the terms and conditions of the Agreement;

(b) That the resolution of Purchaser's Board of Directors has been obtained and forwarded to the Seller's Solicitor immediately after the execution of the Agreement whereby the Purchaser's Board of Directors has agreed to the purchase of the assets of the Seller in Giant Mini Outlets from the Seller on a "as is" "where is" basis, subject to the terms and conditions of the Agreement; and

(c) The Purchaser having completed to its reasonable satisfaction a due diligence review of the Giant Mini Business Assets, the Giant Mini Outlets, the tenancies to the Giant Mini Outlets, licences, permits and governmental approvals, and the employees of the Giant Mini Outlets, and the resolution of all issues arising from the said due diligence by the Seller to the satisfaction of the Purchaser, and such satisfaction shall not be unreasonably withheld.

4. Completion

4.1 The Parties shall complete the joint stocktake and agreed the total verified Assets and Inventory value in writing after the payment of the 1st Balance Purchase Consideration but not later than the Completion Date ("**Joint Stocktake**").

Subject to the fulfilment of the Conditions Precedent by the parties, the completion of the acquisition of the Giant Mini Business Assets shall take place on the date of payment of the Final Balance Purchase Consideration by the Purchaser to the Seller i.e. on or before 31 May 2026 ("**Completion Date**").

4.2 On the Completion Date and subject to the Purchaser's payment of the Final Balance Purchase Consideration, the Seller shall deliver the Giant Mini Business Assets at the Giant Mini Outlets to the Purchaser, and the Purchaser shall have full access to the Giant Mini Outlets.

4.3 The Purchaser is authorised to continue the business at Giant Mini Outlets using the brand name of "Giant Mini" from the Completion Date and throughout the Usage Period. (as defined in clause 6.1 below).

4.4 Upon payment of the Final Balance Purchase Consideration on the Completion Date, the beneficial ownership and risk of the Giant Mini Business Assets shall vest absolutely in the Purchaser. With effect from the Completion Date:

(a) all profits, losses and benefits of the Giant Mini Outlets shall accrue to and be borne by the Purchaser; and

(b) the Seller shall continue to hold all assets, the tenancies to the Giant Mini Outlets, licences, permits and governmental approvals, and the business as bare trustee for the Purchaser pending their formal transfer or novation.

5. Non – Completion

5.1 If the Seller for any reason whatsoever fails or refuses to perform or comply with its obligations under the Agreement or fails or refuses to complete the disposal of the Giant Mini Business Assets in accordance with the Agreement, then provided that the Purchaser is not in breach of the Agreement, the Purchaser shall be entitled at its absolute discretion:

(a) to specific performance of the Agreement against the Seller; or

(b) to terminate the Agreement by giving to the Seller written notice to such effect whereupon:

(i) the Sellers shall within 14 business days from the date of the Purchaser' written notice of termination refund to the Purchaser (free of interest) all monies, if any, paid by the Purchaser to the Seller towards account of the Purchase Consideration; and

(ii) the Purchaser shall redeliver to the Seller all documents and things as may have been delivered by or on behalf of the Seller to the Purchasers, with the Seller's interests remaining intact.

5.2 If the Purchaser for any reason whatsoever fails or refuses to perform or comply with its obligations under the Agreement or fails or refuses to complete the acquisition of the Giant Mini Business Assets in accordance with the Agreement, then provided that the Seller is not in breach of the Agreement, the Seller shall be entitled at its absolute discretion:

(a) to specific performance of the Agreement against the Purchaser; or

(b) to terminate the Agreement by giving to the Purchaser written notice to such effect whereupon:

(i) the Seller shall be entitled to forfeit the Earnest Deposit and all other monies if any paid by the Purchaser to the Seller pursuant to the Agreement shall be refunded to the Purchaser free of interest within 14 business days from the date of receipt of the written notice; and

(ii) the Purchaser shall redeliver to the Seller all documents and things as may have been delivered by or on behalf of the Seller to the Purchaser, with the Seller's interests remaining intact.

6. Brand Name "Giant Mini"

6.1 The Seller shall grant the Purchaser an exclusive, irrevocable and non-transferable licence to use the Brand Name for the purpose of operating the Giant Mini Outlets for period of 1 year calculated from the Completion Date ("**Usage Period**"). Thereafter, the Purchaser shall have the option to extend the licence to use the Brand Name for another 2 terms of 5 years each, upon the terms and conditions to be mutually agreed to by the parties under a licensing agreement to be entered into.

6.2 The Purchaser shall be entitled to rebrand or to use its own brand, to the Giant Mini Outlets and such rebranding or usage of the Purchaser's own brand shall not be deemed to be a termination or surrender of the licence granted by the Seller for the Usage Period.

6.3 No Royalty Fee shall be payable by the Purchaser for the licence to use the Brand Name for the Usage Period.

6.4 Upon expiry of the Usage Period, unless further extended by the parties by mutual agreement, the Purchaser shall cease using the Brand Name and shall rebrand the Giant Mini Outlets at its own cost.

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FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board and they collectively and individually accept full responsibility for the completeness and accuracy of the information contained in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular incomplete, false or misleading.

2. CONSENT AND CONFLICT OF INTEREST

Apex Securities, being the Adviser for the Proposed Diversification, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

Apex Securities has confirmed that it is not aware of any conflict of interest that exists or is likely to exist in relation to its role as the Adviser to the Company for the Proposed Diversification.

3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, there are no material litigations, claims or arbitrations, either as plaintiff or defendant, involving the Giant Mini Business Assets, which have a material and/or adverse effect on the financial position or business of our Group. Our Group is not aware of any proceedings, pending or threatened against the Giant Mini Business Assets or of any facts likely to give rise to any proceedings which may materially or adversely affect the financial position of our Group's business.

4. MATERIAL COMMITMENTS

As at the LPD, there are no material commitments, incurred or known to be incurred by our Group, which may have a material impact on the results or financial position of our Group.

5. CONTINGENT LIABILITIES

As at the LPD, our Board is not aware of any contingent liabilities incurred or known to be incurred by our Group, which upon becoming due or enforceable, may have a material impact on the financial position or business of our Group.

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6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our Company's registered office at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan, during the normal business hours (i.e. from 9.00 a.m. to 5.00 p.m.) from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of our forthcoming EGM:

(i) the constitution of our Company;

(ii) the Agreement;

(iii) the letter of consent and declaration of conflict of interest as referred to in Section 2 of this Appendix; and

(iv) the audited consolidated financial statements of our Group for FYE 30 April 2024 and FYE 30 April 2025, and the latest unaudited consolidated financial statements of our Group for the 12-month FPE 30 April 2026.

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XL Holdings Berhad

(Registration No. 199801012014 (468142-U))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**EGM**") of XL Holdings Berhad ("**XLHB**" or "**Company**") will be held at Balai Tunku Abdul Rahman, The Royal Commonwealth Society, No. 4, Jalan Birah, Damansara Heights, 50490 Kuala Lumpur, W.P. Kuala Lumpur on **Thursday**, **6 August 2026** at **9:00 a.m.** or any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolution:

<u>ORDINARY RESOLUTION</u>

PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS OF XL HOLDINGS BERHAD AND ITS SUBSIDIARIES ("GROUP") TO INCLUDE RETAILING AND WHOLESALING GROCERY BUSINESS ("PROPOSED DIVERSIFICATION")

"**THAT** subject to the requisite approvals of all relevant authorities and/or parties (where required) having been obtained, approval be and is hereby given to the Group to diversify its existing business to include retailing and wholesaling grocery business.

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things, to enter into any arrangements, transactions, agreements and/or undertakings and to sign and execute, deliver and cause to be delivered for and on behalf of the Company all such documents as may be necessary to give effect to and to complete the Proposed Diversification with full powers to assent to or make any conditions, modifications, variations and/or amendments in any manner as may be required or permitted or imposed by any relevant authorities and to deal with all matters relating thereto and to take all steps and actions as the Board may deem fit or expedient in the best interest of the Group and in order to implement, finalise, and give full effect to the Proposed Diversification."

BY ORDER OF THE BOARD
XL HOLDINGS BERHAD

WONG YUET CHYN
(MAICSA 7047163)
(SSM PC No. 202008002451)

Company Secretary

Selangor Darul Ehsan
22 July 2026

Notes:

(1) In respect of deposited securities, only members whose names appear in the Company's Record of Depositors as at 30 July 2026 shall be eligible to attend, participate, speak and vote at this meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.

(2) A member of the Company who is entitled to attend, participate, speak and vote at this meeting is entitled to appoint not more than two (2) proxies, and in the case of a corporation, a duly authorised representative to attend, speak and vote in its stead.

(3) *A proxy may but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar. Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy.*

(4) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

(5) *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of an officer or an attorney duly authorised in writing.*

(6) *The original instrument appointing a proxy must be deposited at the registered office of the Company situated at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan or fax to 03-30081124 or email to secretary@prosec.com.my not less than forty-eight (48) hours before the time set for holding this meeting or at any adjournment thereof.*

(7) *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, the resolution set out in this Notice shall be put to vote by poll.*

(8) *Personal Data Privacy*

*By registering for the meeting via remote participation and electronic voting and/or submitting an instrument appointing proxy(ies) and/or representatives to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company: (i) consents to the processing of the member's personal data by the Company (or its agents): (a) for processing and administration of proxies and representatives appointed for the EGM; (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (which includes any adjournments thereof); and (c) for the Company's (or its agents") compliance with any applicable laws, listing rules, regulations and/or guidelines (collectively "**the Purpose**"); (ii) warrants that he/she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company's (or its agents') processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes; and (iii) agrees that the member will indemnify the Company for any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. Note: The term "processing" and "personal data" shall have the meaning as defined in the Personal Data Protection Act, 2010.*

XL Holdings Berhad

(Registration No. 199801012014 (468142-U))
(Incorporated in Malaysia)

CDS Account No.				-				-									
No. of Shares held																	

FORM OF PROXY

I/We ………...
(FULL NAME IN BLOCK LETTERS)

(NRIC No./Passport No./Company Registration No………………………..)
of……..
(FULL ADDRESS)

being a *member/members of **XL Holdings Berhad** (“**Company**”) hereby appoint

Name of Proxy	**NRIC No./Passport No.**	**% of Shareholding to be Represented**
Address		
Email Address	**Contact No.**	

and/or failing him/her

Name of Proxy	**NRIC No./Passport No.**	**% of Shareholding to be Represented**
Address		
Email Address	**Contact No.**	

or failing him/her, the **CHAIRMAN OF THE MEETING** as *my/our proxy to vote for *me/us on *my/our behalf, at the Extraordinary General Meeting (“**EGM**”) of our Company which will be held at Balai Tunku Abdul Rahman, The Royal Commonwealth Society, No. 4, Jalan Birah, Damansara Heights, 50490 Kuala Lumpur, W.P. Kuala Lumpur on **Thursday**, **6 August 2026** at **9:00 a.m**. or at any adjournment thereof and to vote as indicated below:

No.	**Ordinary Resolution**	**For**	**Against**
1.	Proposed Diversification		

(Please indicate with an “X” in the space provided on how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Signed this ………day of …………………2026.   …………………………………………………………………
Signature of Member(s)

Notes:

(1) In respect of deposited securities, only members whose names appear in the Company's Record of Depositors as at 30 July 2026 shall be eligible to attend, participate, speak and vote at this meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.

(2) A member of the Company who is entitled to attend, participate, speak and vote at this meeting is entitled to appoint not more than two (2) proxies, and in the case of a corporation, a duly authorised representative to attend, speak and vote in its stead.

(3) A proxy may but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar. Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy.

(4) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(5) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of an officer or an attorney duly authorised in writing.

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(7) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, the resolution set out in this Notice shall be put to vote by poll.

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Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary
XL HOLDINGS BERHAD
(Registration No. 199801012014 (468142-U))

DF2-09-02, Level 9, Persoft Tower
6B, Persiaran Tropicana
Tropicana Golf & Country Resort
47410 Petaling Jaya
Selangor Darul Ehsan

1st fold here