

**XL HOLDINGS BERHAD**  
**Registration No. 199801012014 (468142-U)**  
(Incorporated in Malaysia)

Minutes of the 25th Annual General Meeting (25th AGM or the Meeting) of **XL HOLDINGS BERHAD** (XLHB or the Company) 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, 26 September 2024** at **9.00 a.m.**

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**DIRECTORS PRESENT** : 1. Mr. Ng Min Lin – Executive Chairman  
2. Mr. Kuan Kai Seng – Executive Director/Chief Executive Officer  
3. Dato' Ng Jet Heong – Executive Director  
4. Mr. Jason Fong Jian Sheng – Senior Independent Non-Executive Director  
5. Encik Rithauddin Hussein Jamalattiff bin Jamaluddin – Independent Non-Executive Director  
6. Mr. Ng Fun Kim – Independent Non-Executive Director  
7. Ms. Wong Jo Ann – Non-Independent and Non-Executive Director

**MEMBERS PRESENT** : As per attendance list

**BY INVITATION** : Guests as per attendance list

**IN ATTENDANCE** : Ms. Wong Yuet Chyn (Company Secretary)

## **NOTICE**

The Chairman welcomed the shareholders, proxies and guests to the 25th AGM of the Company. The Chairman then took the Chair and called the Meeting to order at 9.00 a.m. The Chairman then proceeded to introduce the members of the Board of Directors (Board) and the Company Secretary.

As informed by the Company Secretary that there being a quorum present, the Chairman declared the Meeting duly convened.

The Chairman notified that the Notice convening the 25th AGM had been sent to all the shareholders of the Company and the said Notice was advertised in the New Straits Times on 30 August 2024 in accordance with the Company's Constitution. He proposed and the Meeting consented that the Notice be taken as read.

The Chairman informed that in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities), all the resolutions as set out in the Notice will be voted by poll. For this purpose, the Chairman has exercised his right as the Chairman of the Meeting to demand for a poll in accordance with Clause 89 of the Company's Constitution in respect of all the resolutions which would be put to voting at this 25th AGM.

The Share Registrar, Securities Services (Holdings) Sdn. Bhd. has been appointed as the Poll Administrator to conduct the polling process and Commercial Quest Sdn. Bhd., the Independent Scrutineer be appointed to verify the poll results.

The Chairman informed that the Minority Shareholders Watch Group (MSWG) had vide its letter dated 18 September 2024 addressed to the Board sought information and clarification on the Operations and Financial Matters and Corporate Governance. On behalf of the Board, The Chairman thanked MSWG for giving the Company notice of their questions to enable the Board to officially reply to their letter.

For the information of the members present, the following questions from and the corresponding replies to MSWG were read out by the Chairman during the meeting:

**Operational & Financial Matters**

1. In financial year ended 30 April 2024 (FYE 2024), the revenue from the Food Segment continued to be the primary contributor to the Group, comprising 62.7% of the total revenue. However, the segment reported lower average monthly revenue of RM3.69 million in financial period ended 30 April 2023 (FYE 2024) compared to RM4.13 million in FPE 2023.

**Question 1(a)**

At the last AGM, the Group indicated that the food segment would be a focus for business expansion and that demand for food products was expected to increase gradually. Please explain the reasons for the lower average monthly revenue in FYE 2024, and what challenges the Group encountered in expanding this segment?

**Answer 1(a)**

The lower revenue for the food segment is primarily due to the post-pandemic shift, where consumers have returned to their normal consumption patterns. During 2021, 2022, and the early part of 2023, there was a surge in consumer spending, driven by increased demand due to the government subsidy and ease of world monetary policy. However, after May 2023, the company began to observe a decline in consumption, which aligns with weaker economic conditions both locally and globally. This drop in consumer spending reflects the overall economic slowdown and has impacted the performance of the food segment.

**Question 1(b)**

The food segment reported a loss after tax of RM500,059, compared to a profit after tax of RM1.09 million in FPE 2023. What were the reasons for this shift to a loss-making position? How does the gross profit margin of the food segment compare to FPE 2023?

**Answer 1(b)**

The food segment's loss after tax in 2024 is primarily due to unrealized losses from an investment recommended by a former director. As a result of these losses, the director has expressed deep regret and has resigned from the board. Moving forward, the company will review its investment strategy to minimize risk.

2. Ergobumi is engaged in planting, growing, cultivating, producing, and managing pineapple plantations. The cultivation process typically spans 15-18 months before the pineapples mature. As a result, the Company began generating revenue from the sale of pineapple suckers in FYE 2024 (Page 21 of Annual Report 2024 (AR2024)).

**Question 2(a)**

What were the revenues generated from the sales of pineapple fruits and pineapple suckers respectively in FYE 2024?

**Answer 2(a)**

The total revenue generated from sales of pineapple and sucker are RM 8.6million.

**Question 2(b)**

The immature pineapple trees under biological assets amount to RM21.93 million and are classified as current assets as at the end of FYE 2024 (Pages 138 and 139 of AR2024). Shouldn't these immature pineapple trees be classified under non-current assets as these are not ready for sale within one year? Please explain.

**Answer 2(b)**

The company employs a forcing method that significantly accelerates the growth cycle, enabling the cultivation period to be shortened. This technique allows the pineapple plants to reach maturity earlier. The immature biological assets consist of both fruit and suckers, with the majority of value derived from the suckers. The suckers are expected to mature in less than 12 months, while the fruit takes approximately 12-15 months to reach maturity. Given the relatively short maturity period, we classify both the fruit and suckers as current assets. However, the mother plant, which has a longer productive lifespan, is classified as a non-current asset.

**Question 2(c)**

In FYE 2024, the Group transferred RM12.00 million from capital work-in-progress to land preparation works on pineapple plantations (Page 119 of AR2024). What is the budget for land preparation works in the financial year ending 30 April 2025 (FYE 2025)?

**Answer 2(c)**

The Company plan to budget RM 10 million for land preparation for FYE 2025.

3. Recently, the Company has made significant progress by venturing into seaweed farming. On March 4, 2024, XLHB entered a joint collaboration to establish seaweed farms for cultivation.

In FYE 2024, only two of the six operating segments—namely the Merchandise and Growing Crop segments were profitable, while the other segments (i.e., fish farming, edible bird nest, food, and investment holding) reported a total loss after tax of RM4.64 million.

**Question 3(a)**

Given the Group's already diversified and fragmented business portfolio, what was the rationale behind the decision to venture into seaweed farming, and what synergies does the Group expect from this venture?

**Answer 3(a)**

The rationale for venture into seaweed farming despite having a diversified and fragmented business portfolio lies in the strategic opportunity that the seaweed project presents. Seaweed farming offers high growth potential due to increasing demand in various industries such as food, cosmetics, pharmaceuticals, and biofuels, creating a sustainable and profitable new revenue stream.

In terms of synergies, the Company expects that the seaweed project can diversify the Company's risk portfolio by balancing the underperforming segments with a promising new venture.

**Question 3(b)**

Will the Group consider divesting its non-core loss-making segments?

**Answer 3(b)**

The Company will closely monitor the performance and profitability of the current loss-making segments. Strategic plans and initiatives will be implemented which aimed at turning these segments around and making them profitable in the coming year. At this point, our focus is on improving operational efficiency and optimizing these businesses rather than divesting them.

**Question 3(c)**

As at 30 April 2024, the Group had utilised RM24.92 million from proceeds raised through Redeemable Convertible Notes to venture into hatchery-related business (Page 71 of AR2024). When does the Group expect the hatchery business to commence operations and begin generating profit?

**Answer 3(c)**

The hatchery business commenced operations on 26 August 2024, and the Company expects to start generating income by October 2024.

4. Revenue from two major customers (30.04.2023: one) amounted to RM44,254,804 (30.04.2023: RM61,879,293), arising from the Food and Growing Crop segments.

**Question 4**

Sales to these two customers account for 63% of the Group's total revenue. What measures has the Group taken to mitigate the risk of overreliance on these major customers, and what is the progress of those measures?

**Answer 4**

Revenue from two major customers (30.04.2023: one) amounted to RM44,254,804 (30.04.2023: RM61,879,293), arising from the Food and Growing Crop segments.

The Company recognizes the risk associated with overreliance on these two major customers, who contribute 63% of the total revenue.

To mitigate the risk of overreliance on these two major customers, the Company has strengthened its sales team with a focus to distribute products to the supermarkets and current efforts are concentrated in the Klang Valley area. By diversifying customer base and increasing market presence in this key region, the Company aims to reduce dependency on a few large customers and achieve a balanced revenue stream. Company is expected to continue the growth in the coming months and the progress has been encouraging.

## **Sustainability Matters**

1. The Group acknowledges the role of its energy consumption and greenhouse gas (GHG) emissions in contributing to climate change impacts. (Page 41 of AR2024) However, the Sustainability Report does not include GHG emissions data.

### **Question 1**

What progress has the Group made in gathering GHG emissions data for the enhanced sustainability reporting framework, and when can we expect to see this data included in the Annual Report?

### **Answer 1**

The Group acknowledges the importance of gathering GHG emissions data in preparation for the enhanced sustainability reporting framework. However, GHG emissions data has not yet included FYE 2024 annual report due to the Group is still in the mid of setting up a dedicated team to manage this task. On top of that, the Group is currently working with external consultants to develop a comprehensive approach for data collection to better reporting GHG emissions. Once these systems and processes are in place, the Group aims to provide a detailed emissions data in future reports, in line with the enhanced sustainability reporting framework.

By FYE 2025 Annual Report, the Group will provide the comprehensive GHG emissions data, in full compliance with Bursa Securities' enhanced sustainability reporting requirements and reflecting its efforts to align with global sustainability goals.

## **Corporate Governance Matters**

1. The Company has not adopted Practice 5.9 of the MCCG, which advocates that the Board comprise at least 30% women directors. The Board currently has one female director among its seven members, representing 14% of the Board's composition.

### **Question 1**

Given the current gender disparity on the Board, when does the Board plan to appoint additional female directors?

### **Answer 1**

The Company recognizes the importance of Practice 5.9 of the MCCG, which advocates for at least 30% women directors on the Board.

Currently, the Board has one female director out of seven members, representing 14% of the Board's composition. The Company is actively seeking for suitable female candidates to join the Board and is committed to achieving the 30% target. The Board is working towards fulfilling this practice by the year 2025, in line with the commitment to promoting diversity and strengthening corporate governance.

The Chairman then proceeded to the agenda for the Meeting.

**1. TO RECEIVE THE AUDITED FINANCIAL STATEMENTS (AFS) FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Chairman informed that as provided for in Section 340(1)(a) of the Company Act 2016, it was not required that the AFS be formally approved and therefore the first item of the agenda was meant for discussion only and was not put forward for voting.

The Chairman then proceed to the agenda of the Meeting.

**2. TO APPROVE THE PAYMENT OF DIRECTORS' FEES OF UP TO RM219,000.00 FOR THE FINANCIAL YEAR ENDING 30 APRIL 2026 (FYE 2026) PAYABLE IN ARREARS AFTER EACH MONTH OF COMPLETED SERVICE OF THE DIRECTORS DURING THE FINANCIAL YEAR BE AND IS HEREBY APPROVED**

**Ordinary Resolution 1** on the proposed payment of Directors' fees of up to RM219,000.00 for the FYE 2026.

The Chairman then proceed to the agenda of the Meeting.

**3. TO APPROVE THE PAYMENT OF BENEFITS COMPRISED OF MEETING ALLOWANCE TO THE NON-EXECUTIVE DIRECTORS OF UP TO RM27,000.00 FOR THE FYE 2026 PAYABLE IN ARREARS AFTER EACH MONTH OF COMPLETED SERVICE OF THE DIRECTORS DURING THE FINANCIAL YEAR BE AND IS HEREBY APPROVED**

**Ordinary Resolution 2** on the proposed payment of Directors' Benefits comprised of meeting allowance to the Non-Executive Directors of up to RM27,000.00 for the FYE 2026.

The Chairman then proceed to the agenda of the Meeting.

**4. TO RE-ELECT THE FOLLOWING DIRECTORS, WHO RETIRE PURSUANT TO CLAUSE 127 OF THE COMPANY'S CONSTITUTION AND WHO BEING ELIGIBLE, HAVE OFFERED THEMSELVES FOR RE-ELECTION:**

**RE-ELECTION OF MR. NG MIN LIN**

**Ordinary Resolution 3** was on the proposed re-election of Mr. Ng Min Lin as Director of the Company pursuant to Clause 127 of the Constitution of the Company.

The Chairman informed that he was up for retirement and seek for re-election. He handed over the chairmanship to Mr. Jason Fong Jian Sheng (Mr. Jason Fong), the Senior Independent Non-Executive Director of the Company to deliberate the Agenda.

Mr. Jason Fong took the chair and proceeded with the Agenda.

Mr. Jason Fong then handed over the chairmanship back to the Chairman. The Chairman proceeded with the remaining Agenda of the 25th AGM.

**5. RE-ELECTION OF ENCIK RITHAUDDIN HUSSEIN JAMALATIFF BIN JAMALUDDIN**

**Ordinary Resolution 4** on the proposed re-election of Encik Rithauddin Hussein Jamalattiff bin Jamaluddin as Director of the Company.

The Chairman then proceed to the agenda of the Meeting.

**6. TO RE-ELECT MR. NG FUN KIM AS DIRECTOR WHO RETIRES PURSUANT TO CLAUSE 132 OF THE COMPANY'S CONSTITUTION AND WHO BEING ELIGIBLE, HAS OFFERED HIMSELF FOR RE-ELECTION.**

**Ordinary Resolution 5** on the proposed re-election of Mr. Ng Fun Kim as Director of the Company.

The Chairman then proceed to the agenda of the Meeting.

**7. NON-REAPPOINTMENT OF EXTERNAL AUDITORS (EA)**

The Chairman informed that the EA, Messrs. UHY had expressed that they are not seeking re-appointment as EA of the Company subsequent to the conclusion of this AGM. There were no disagreements with the outgoing EA on accounting treatments within the last 12 months.

The Company had commenced efforts to identify suitable candidate and would seek to appoint new auditors as soon as practicable. Upon which, the Board would then appoint new auditors in compliance with Section 264(5) of the Companies Act 2016 (CA 2016). The Company would make further announcement in due course.

The Chairman then proceed to next agenda of the Meeting.

**8. APPOINT NEW AUDITORS OF THE COMPANY FOR THE FYE 2025**

**Ordinary Resolution 6** on seeking shareholders' mandate for the Board to appoint new auditors of the Company for the FYE 2025.

The Meeting Chairman then proceed to next agenda of the Meeting.

**9. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE CA 2016 (PROPOSED GENERAL MANDATE)**

The Chairman informed that the following motion was tabled for consideration as **Ordinary Resolution 7**:

“**THAT** subject always to Sections 75 and 76 of the CA 2016, the Constitution, the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities) and the approval of any governmental and/or regulatory authorities, the Directors be and are hereby authorised to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company at the time of issuance and such authority under this resolution shall continue in force until the conclusion of the 26th AGM or when it is required by law to be held, whichever is earlier, **AND THAT** the Directors be and are empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities.

**THAT** the existing shareholders of the Company hereby waive their pre-emptive rights to be offered new shares ranking equally to the existing issued shares in the Company pursuant to Section 85 of the CA 2016 read together with Clause 15 of the Constitution of the Company arising from any issuance of new shares of the Company pursuant to Sections 75 and 76 of the CA 2016.

**AND THAT** the Directors of the Company be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.”

The Chairman then proceed to next agenda of the Meeting.

**10. PROPOSED SHARE BUY-BACK AUTHORITY FOR THE PURCHASE OF ITS OWN ORDINARY SHARES (PROPOSED SHARE BUY-BACK)**

**Ordinary Resolution 8** was on the authority to approve the Proposed Share Buy-Back authority for the purchase of its own ordinary shares.

The Chairman then proceed to next agenda of the Meeting.

**11. ANY OTHER BUSINESS**

The Company Secretary confirmed that the Company had not received any notice for transaction of any other business for today’s Meeting.

The Chairman then proceeded with the Questions and Answers (Q&A) session for the Board to deal with the questions from the shareholders. There were no questions raised from the floor, the Chairman urged the shareholders and/or proxies who have yet to submit their votes, the Meeting shall now allocate another 5 minutes for them to complete to cast their votes.

The Chairman then announced the closing of the voting session and then adjourned the Meeting for approximately 15 minutes for the poll votes to be counted by the Poll Administrator in the presence of the appointed scrutineer.

The Meeting resumed at 9.50 a.m. The representative of the scrutineer submitted the report of the results to the Chairman. The results of the poll which were as follows:



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Resolutions	Voted For			Voted Against		
	No. of shares	%	No. of shareholders	No. of shares	%	No. of shareholders
<b>Ordinary Resolution 1</b> To approve the payment of Directors' fees of up to RM219,000.00 for the FYE 2026 payable in arrears after each month of completed service of the Directors during the financial year be and is hereby approved.	122,762,033	100	48	0	0.0000	0
<b>Ordinary Resolution 2</b> To approve the payment of Benefits comprised of meeting allowance to the Non-Executive Directors of up to RM27,000.00 for the FYE 2026 payable in arrears after each month of completed service of the Directors during the financial year be and is hereby approved.	122,761,933	99.9999	47	100	0.0001	1
<b>Ordinary Resolution 3</b> To re-elect Mr. Ng Min Lin who retires by rotation pursuant to Clause 127 of the Company's Constitution.	122,762,033	100	48	0	0.0000	0
<b>Ordinary Resolution 4</b> To re-elect Encik Rithauddin Hussein Jamalattiff bin Jamaluddin who retires by rotation pursuant to Clause 127 of the Company's Constitution.	122,762,033	100	48	0	0.0000	0
<b>Ordinary Resolution 5</b> To re-elect Mr. Ng Fun Kim who retires by rotation pursuant to Clause 132 of the Company's Constitution.	122,762,033	100	48	0	0.0000	0

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Resolutions	Voted For			Voted Against		
	No. of shares	%	No. of shareholders	No. of shares	%	No. of shareholders
<b>Ordinary Resolution 6</b> To seek shareholders' mandate for the Board to appoint new auditors of the Company for the FYE 2025.	122,762,033	100	48	0	0.0000	0
<b>Ordinary Resolution 7</b> Proposed General Mandate	122,762,033	100	48	0	0.0000	0
<b>Ordinary Resolution 8</b> Proposed Share Buy-Back	122,762,033	100	48	0	0.0000	0

The Chairman then declared the above resolutions carried.

**TERMINATION**

There being no other business the Meeting concluded at 9.53 a.m. with a vote of thanks to the Chair.

**C O N F I R M E D****CHAIRMAN**

Date: 26 September 2024