

**XL HOLDINGS BERHAD**  
(fka Xian Leng Holdings Berhad)  
**Registration No. 199801012014 (468142-U)**  
(Incorporated in Malaysia)

**SUMMARY OF KEY MATTERS DISCUSSED AT THE 22ND ANNUAL GENERAL MEETING (“22ND AGM” OR THE “MEETING”) OF XL HOLDINGS BERHAD (FKA XIAN LENG HOLDINGS BERHAD) (“XL” OR THE “COMPANY”) HELD ON A FULLY VIRTUAL BASIS VIA ONLINE MEETING PLATFORM OF SECURITIES SERVICES E-PORTAL AT [HTTPS://SSHSB.NET.MY/](https://sshsb.net.my/) PROVIDED BY SS E SOLUTIONS SDN. BHD. IN MALAYSIA ON WEDNESDAY, 1 SEPTEMBER 2021 AT 10.30 A.M.**

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Mr. Ng Min Lin (the “**Chairman**”) chaired the 22nd AGM of the Company. The Chairman called the Meeting to order at 10.30 a.m. and the Company Secretary confirmed the presence of a requisite quorum for the Meeting.

The Chairman informed that the 22nd AGM was conducted on a fully virtual basis via online meeting platform provided by Securities Services e-portal as a precautionary measure against the spread of Covid-19.

The Chairman notified that the Notice convening the 22nd AGM had been sent to all the shareholders and the said Notice was advertised in the New Straits Times on 9 August 2021 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, 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 22nd AGM.

The Share Registrar, SS E Solutions Sdn. Bhd. has been appointed as the Poll Administrator to conduct the e-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 24 August 2021 addressed to the Board of Directors (“**Board**”) sought information and clarification on the Operations and Financial Matters. On behalf of the Board, the Chairman thanked MSWG for giving the Company notice of their questions to enable the Board to reply officially to their letter.

For the information of the members present, the following questions from and the corresponding replies to MSWG were read out:-

**Operations and Financial Matters**

**Question 1**

The Fish Farming segment of the Company saw a revenue decline of 4.9% for FYE 2021 from RM3.16 million in the previous year to RM3.01 million mainly due to the Covid-19 pandemic. (Page 17 of Annual Report (“**AR**”) 2021)

What are the Company’s strategies in addressing the decline in revenue and profitability for its Fish Farming segment in FYE 2022?

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**Answer:**

The Covid-19 outbreak has a significant negative impact on export revenue, where the company's exports to Japan and China had been affected due to strictly import controls set by the overseas government. On the other hand, significant reductions in flight numbers which had resulted to high flight costs also put our overseas customers to reduce orders. So, the management has quickly changed the marketing strategy whereas to targeting domestic market as a countermeasure. By seizing the current opportunities from local market, the fish farming segment has been working to produce more local high demand tropical fishes to fill the gap of exports. This has lead to a positive increase in the fish farming revenue evident in the Q1 FYE 2022 result.

**Question 2**

The Company's Fish Farming segment experienced a fall in productivity arising from rising temperatures brought about by global warming. (Page 17 of AR 2021)

- a) What are the measures put in place by the Company to mitigate this phenomenon and address the falling productivity?

**Answer:**

Arowana production is on a reducing trend since FYE 2020 where Malaysia started to experience weather anomalies. As Arowana fishes are very sensitive to climate change as compare to other tropical fish, the production team has diversified to produce other kind of tropical fishes e.g. Phoenix fish, Lampan and Yellow Finned Barb which has high local market demand. Despite that, the Research and Development and production team are still continue to closely monitor the water quality and temperatures of the water in the fish farms.

- b) What was the loss in productivity to the Company due to these extreme weather conditions in FYE 2021?

**Answer:**

The loss in productivity due to extreme weather conditions in FYE 2021 is referring to the Arowana fishes. The yearly production of Arowana for FYE 2021 was dropped to approximately 60% compared to previous year's average production quantities.

**Question 3**

The revenue derived from the sales of tropical fishes increased by 21.02% in FYE 2021 because the Movement Control Order ("MCO") implemented by the Government had resulted in people being indoors for longer and this had encouraged many people to rear fishes as a hobby. (Page 17 of AR 2021)

What are the measures adopted by the Company to increase its revenue from the sales of tropical fishes as the MCO period has been extended consistently?

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**Answer:**

Below are the few measures that the management has planned and to continue its implementation throughout the Covid-19 pandemic:

- a) Putting more marketing to young generation via social media e.g. Facebook and Instagram;
- b) Building more networking with wholesaler and retailers via contacts and relationships;
- c) Survey new markets or regions to expand customer base; and
- d) Breeding more varieties of tropical fish suited/demanded by the local market.

**Question 4**

Written-off inventories increased significantly from RM1.6k in FYE 2020 to RM38.1k in FYE 2021. (Page 57 of AR 2021)

- a) What were the reasons for the sharp spike in inventories written-off (i.e. slow moving or stock obsolescence)

**Answer:**

The inventory written-off for FYE 2021 is an accumulated amount from the past few years of slow-moving stock which now is assessed as obsolete.

- b) Going forward, especially in view of the worsening economy, do you foresee a rise in inventories written off?

**Answer:**

The Company did not foresee any rise in inventories written-off for the current financial year based on the current assessment.

The Chairman then proceeded with the Questions and Answers (“Q&A”) session for the Board to deal with the questions from the shareholders as follows:-

**Question 1**

Shareholder enquired on what is the Company’s future outlook.

**Response to Question 1:**

The Chairman answered that the Company is looking toward to diversify the key segments such as aquaculture, food processing and agriculture and to explore cow farming and feed mill segments besides the Arowana fish and tropical fish segment. The Company is mainly involved in primary producing, agriculture and aquaculture that are related to food products. As such, the Company will endeavour to provide essential services to suit this Covid-19 pandemic. As a result from the proposed diversification of the principal activities of the Company and its subsidiaries, the Company foresees a better future and outlook in terms of revenue and the Company’s growth.

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**Question 2**

Shareholder enquired on what is the impact of MCO to the Company.

**Response to Question 2:**

The Chairman answered that the MCO affected the Company in terms of a revenue drop on arowana fish. On the other hand, there was an increase in revenue for the other tropical fish. Moving forward with the diversification into new segments, the Company hopes to overcome the impact from the MCO and sustain a brighter future in term of the Company's revenue and profit growth.

**Question 3**

Shareholder enquired on the cost savings for the virtual meeting compared to the physical meeting.

**Response to Question 3:**

The Chairman answered that the costs were similar, but physical meeting would be cost efficient in term of savings.

**Question 4**

Shareholder enquired whether the Board will consider giving door gifts such as e-voucher or e-wallet for shareholders who have participated in the 22nd AGM.

**Response to Question 4:**

The Chairman answered that the Company did not prepare door gifts for virtual meeting. However, door gifts would be provided in the future physical Extraordinary General Meeting or Annual General Meeting.

With that, the Chairman concluded the Q&A session. All the resolutions tabled at the 22nd AGM for the Company and voted upon by poll were duly passed by the shareholders.

There being no other business, the Meeting terminated at 11.18 a.m. with a vote of thanks to the Chairman.