



**XL Holdings Berhad**

Registration No. 199801012014 (468142-U)



ANNUAL REPORT  
**2025**

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## CORPORATE INFORMATION

### 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 Jamalattiff  
bin Jamaluddin**  
Independent Non-Executive Director

**Ng Fun Kim**  
Independent Non-Executive Director

**Wong Jo Ann**  
Non-Independent and Non-Executive  
Director

#### Audit Committee

**Ng Fun Kim** (Chairman)

**Jason Fong Jian Sheng**

**Rithauddin Hussein Jamalattiff bin Jamaluddin**

#### Remuneration Committee

**Rithauddin Hussein Jamalattiff bin Jamaluddin**  
(Chairman)

**Jason Fong Jian Sheng**

**Ng Fun Kim**

#### Nomination Committee

**Jason Fong Jian Sheng** (Chairman)

**Rithauddin Hussein Jamalattiff bin Jamaluddin**

**Ng Fun Kim**

#### Risk Management Committee

**Jason Fong Jian Sheng** (Chairman)

**Rithauddin Hussein Jamalattiff bin Jamaluddin**

**Ng Fun Kim**

CORPORATE INFORMATION  
(CONT'D)

## Company Secretary

**Wong Yuet Chyn**  
(MAICSA 7047163)  
(SSM PC No. 202008002451)

## Website

www.xlhb.com.my

## Principal Bankers

Alliance Islamic Bank Berhad  
AmBank (M) Berhad  
Malayan Banking Berhad  
Public Bank Berhad  
CIMB Bank Berhad  
MBSB Bank Berhad

## Share Registrar

Securities Services (Holdings) Sdn. Bhd.  
Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
W.P. Kuala Lumpur  
Tel : 03 - 2084 9000  
Fax : 03 - 2094 9940  
Email : info@sshsb.com.my

## Registered Office

DF2-09-02, Level 9, Persoft Tower  
6B, Persiaran Tropicana  
Tropicana Golf & Country Resort  
47410 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 03-3008 1123  
Fax : 03-3008 1124  
Email : secretary@prosec.com.my

## Auditors

Morison LC PLT (AF002469)  
Chartered Accountants  
Level 11-01, Uptown No. 3  
Jalan SS 21/39, Damansara Utama  
47400 Bandar Petaling Jaya  
Selangor Darul Ehsan  
Tel : 03 - 7491 4419

## Corporate Office

**KL office:**  
B-09-09, Gateway Corporate Suites  
Gateway Kiaramas  
No. 1, Jalan Desa Kiara  
Mont Kiara, 50480 Kuala Lumpur  
W.P. Kuala Lumpur  
Tel : 03 - 6413 6155  
Fax : 03 - 6419 1386

**Johor office:**  
No. 35, Jalan Penjaja 3  
83000 Batu Pahat  
Johor Darul Takzim  
Tel : 07 - 433 0313  
Fax : 07 - 431 3697

## Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad  
Stock Name : XL  
Stock Code : 7121





# CORPORATE STRUCTURE



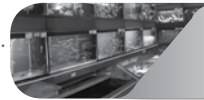
**XL Holdings Berhad**  
(Investment Holdings Company)



100%

**Xian Leng Trading Sdn. Bhd. ("XLT")**

- Commercial captive breeding of aquatic products



100%

**Xian Leng Aquatic Merchant Sdn. Bhd. ("XLAM")**

- Trading of ornamental fishes and aquarium accessories and property holding



100%

**Xian Leng Aquatic (Shah Alam) Sdn. Bhd. ("XLASA")**

- Supplying and installation of aquarium and trading of ornamental fishes and aquarium accessories



100%

**Xian Leng Aquatic (Kluang) Sdn. Bhd. ("XLAK")\*\***

- Development of fish farming activities and breeding of other tropical fishes



100%

**Xian Leng EBN Trading Sdn. Bhd. ("XLEBN")**

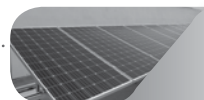
- Edible bird nest business and marketing



100%

**XL Foods Sdn. Bhd. ("XLFD")**

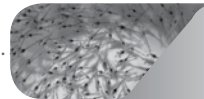
- Manufacture, trade and trading on edible foods



100%

**Xian Leng Greentech Sdn. Bhd. ("XLGT")**

- Solar energy project



100%

**XL Hatchery Sdn. Bhd. ("XLHC")**

- Breeding, hatching and rearing of other types of aquaculture products



100%

**XL Feedmill Sdn. Bhd. ("XLFM")\***

- Feedmill production activities



100%

**XL Food Processing Sdn. Bhd. ("XLFP")\***

- Process and produce, pack, preserve, freeze and deal in ready-to-eat and ready-to-cook products



100%

**XL Farming Sdn. Bhd. ("XLF")\***

- Dairy farm cow farming



100%

**XL Plantation Sdn. Bhd. ("XLP")\***

- Agriculture of Chili and Pineapple



100%

**Ergobumi Sdn. Bhd. ("Ergobumi")**

- Agriculture of Pineapple



100%

**SFE Sdn. Bhd. ("SFE")**

(f.k.a Total XL Management Sdn. Bhd.)

- Other management services, General Trading and Investment activities

\* The company is currently in the midst of setting up the operation post establishment.

\*\* The company has currently ceased operations following the expiry of the lease agreement.

## PROFILE OF DIRECTORS

### NG MIN LIN

Executive Chairman

Male / Age 46 / Malaysian

**Finance & Accounting**

#### Working experience & Occupation:

Mr. Ng Min Lin ("Mr. Ng") is the Executive Chairman of MAG Holdings Berhad, a company listed on Bursa Malaysia Securities Berhad, which is involved in aquaculture for the last five years and also currently involved in edible oil business.

Mr. Ng spent his early years as an audit associate with KPMG, Penang. Subsequently, he ventured into the corporate world when he became the Corporate Development Manager of a company that manufactures and franchises water vending machines.

A year later, he was promoted to Group Finance Director, when the company concerned got listed on the PLUS Market (now known as Icap Securities and Derivatives Exchange) in the United Kingdom.

As Mr. Ng looked for greener pastures, he established Esabee Biotika Sdn Bhd ("EBSB"), a multi-level marketing company which specializes in microalgae. He was the Chief Executive Officer of this EBSB until his resignation in mid-2011.

Mr. Ng had also invested into companies involved in sectors such as mining, agriculture, and energy. His involvement in these sectors had gained him vast experience in the corporate world.

#### Date of Appointment:

11 January 2021

#### Other directorships of public companies:

MAG Holdings Berhad

#### Membership of Board Committees:

Nil

#### Family relationship with any director and / or major shareholder of XLHB:

Mr. Ng is the spouse of Ms. Wong Jo Ann, the Non-Independent Non-Executive Director of the Company

#### Conflict of interest or potential conflict of interest, including any interest in any competing business with XLHB and its subsidiaries:

Nil

#### Convictions for offences within the past 5 years other than traffic offences:

Nil

#### Attendance at Board Meetings held during the financial year:

No. of meetings held

5

No. of meetings attended

5



## PROFILE OF DIRECTORS (CONT'D)

### KUAN KAI SENG

Executive Director and Chief Executive Officer

**Chartered Accountant**

Male / Age 51 / Malaysian

#### Working experience & Occupation:

Mr. Kuan Kai Seng ("Mr. Kuan") holds a Bachelor degree in Accountancy from Nelson Polytechnic, New Zealand in December 1999 and Chartered Accountancy of the Institute Chartered Accountant of New Zealand in 2002. He is a member of New Zealand Institute of Chartered Accountants and Malaysian Institute of Chartered Accountants.

Mr. Kuan joined Ernst & Young from March 1999 to September 2002, carrying out statutory audit on private limited and public limited companies.

Subsequently, Mr. Kuan was a Group Accountant in a local group of companies. His employment with the group of companies included three years overseas posting as an Assistant General Manager cum Head of Finance for the group's subsidiary in China. After that, he was in public practice as a chartered accountant in a member firm of MIA.

Mr. Kuan has more than 13 years experience in the management of ornamental fish trades and operation of the fish farms.

#### Date of Appointment:

3 April 2012

#### Other directorships of public companies:

Evergreen Fibreboard Berhad

#### Membership of Board Committees:

Nil

#### Family relationship with any director and / or major shareholder of XLHB:

Nil

#### Conflict of interest or potential conflict of interest, including any interest in any competing business with XLHB and its subsidiaries:

Nil

#### Convictions for offences within the past 5 years other than traffic offences:

Nil

#### Attendance at Board Meetings held during the financial year:

No. of meetings held

5

No. of meetings attended

5

**DATO' NG JET HEONG**

Executive Director

Male / Age 60 / Malaysian

**Business & Corporate Management**

**Working experience & Occupation:**

Dato' Ng Jet Heong ("Dato' Ng") holds a Bachelor Degree in Economics from University of Malaya. He started his career in the finance industry and has over 30 years of experience in banking and capital markets. He previously held various key positions at Arab-Malaysian Finance Berhad, Standard Chartered Bank Malaysia Berhad, JB Securities Sdn. Bhd., PM Securities Sdn. Bhd., and MIMB Investment Bank.

In 2011, Dato' Ng joined M & A Securities Sdn. Bhd. as Head of Dealing and was appointed as an Independent Non-Executive Director in 2014. He also served as Executive Director of Yong Tai Berhad, a company listed on Bursa Malaysia, from 2014 to 2016.

**Date of Appointment:**

25 May 2017

**Other directorships of public companies:**

Nil

**Membership of Board Committees:**

Nil

**Family relationship with any director and / or major shareholder of XLHB:**

Nil

**Conflict of interest or potential conflict of interest, including any interest in any competing business with XLHB and its subsidiaries:**

Nil

**Convictions for offences within the past 5 years other than traffic offences:**

Nil

**Attendance at Board Meetings held during the financial year:**

No. of meetings held

5

No. of meetings attended

5





## PROFILE OF DIRECTORS (CONT'D)

### JASON FONG JIAN SHENG

Senior Independent Non-Executive Director

Male / Age 36 / Malaysian

#### **Business & Corporate Management**

#### **Working experience & Occupation:**

Mr. Jason Fong Jian Sheng ("Mr. Jason") is an accomplished professional with over a decade of extensive experience in Malaysia's capital markets and corporate consultancy industry. A graduate from HELP University College with a degree in Marketing, Mr. Jason has effectively combined his academic background with practical expertise to build a distinguished career.

As the founding director of a prominent business consultancy firm in Malaysia, Mr. Jason has significantly influenced and shaped the strategic business landscape for numerous public-listed companies on Bursa Malaysia. His visionary insights and proactive approach have consistently enabled clients to achieve their strategic objectives with enhanced efficiency and impactful results.

Mr. Jason's clientele spans diverse industries, including information technology, property and construction, healthcare, consumer goods, transportation, oil & gas, trading, and retail sectors. His proven track record demonstrates his versatility and depth of industry knowledge, establishing him as a trusted advisor among corporate leaders.

Throughout his career, Mr. Jason has played a critical role in various major corporate exercises, notably initial public offerings (IPOs), mergers and acquisitions (M&A), and strategic fund-raising initiatives such as private placements and rights issues. His involvement in these high-stake activities underscores his analytical skills, strategic acumen, and ability to successfully navigate complex regulatory and financial environments.

In addition to his extensive experience in corporate finance, Mr. Jason is highly regarded as an expert in crisis management. He has provided strategic counsel to numerous public-listed entities and professional service firms, effectively guiding them through challenging circumstances while safeguarding corporate reputation and maintaining stakeholder confidence.

Leveraging strong access to market intelligence and an expansive professional network, Mr. Jason consistently identifies and capitalizes on new business opportunities, attracting potential investors and fostering robust, long-term relationships with existing stakeholders. His proactive relationship management approach has contributed significantly to the sustained growth and stability of his client organisations.

Mr. Jason remains committed to delivering strategic value, innovative solutions, and insightful leadership to companies seeking to enhance their market presence and achieve lasting success in Malaysia's dynamic capital markets.

#### **Date of Appointment:**

11 January 2021

#### **Other directorships of public companies:**

G Capital Berhad  
USP Group Limited

#### **Membership of Board Committees:**

- Chairman of Nomination Committee
- Chairman of Risk Management Committee
- Member of Audit Committee
- Member of Remuneration Committee

#### **Family relationship with any director and / or major shareholder of XLHB:**

Nil

#### **Conflict of interest or potential conflict of interest, including any interest in any competing business with XLHB and its subsidiaries:**

Nil

#### **Convictions for offences within the past 5 years other than traffic offences:**

Nil

#### **Attendance at Board Meetings held during the financial year:**

No. of meetings held

5

No. of meetings attended

5

**RITHAUDDIN HUSSEIN  
JAMALATIFF BIN JAMALUDDIN**

Independent Non-Executive Director

Male / Age 60 / Malaysian

**Professional Lawyer****Working experience & Occupation:**

Encik Rithauddin Hussein Jamalattiff bin Jamaluddin ("En. Rithauddin") holds a Bachelor Degree in Law (L.L.B. Honours) from the University of Buckingham and a Certificate of Legal Practice from University of Malaya.

En. Rithauddin is a lawyer by profession and co-founder of Rithauddin and Azlin, a legal firm in Kuala Lumpur established in May 1992.

**Date of Appointment:**

15 July 2021

**Other directorships of public companies:**

TWL Holdings Berhad

**Membership of Board Committees:**

- Chairman of Remuneration Committee
- Member of Nomination Committee
- Member of Risk Management
- Member of Audit Committee

**Family relationship with any director and /  
or major shareholder of XLHB:**

Nil

**Conflict of interest or potential conflict of interest,  
including any interest in any competing business with  
XLHB and its subsidiaries:**

Nil

**Convictions for offences within the past 5 years other  
than traffic offences:**

Nil

**Attendance at Board Meetings held during the  
financial year:**

No. of meetings held

5

No. of meetings attended

5



## PROFILE OF DIRECTORS (CONT'D)

### WONG JO ANN

Non-Independent and Non-Executive Director

Female / Age 47 / Malaysian

**Chartered Accountant**

#### Working experience & Occupation:

Ms. Wong Jo Ann ("Ms. Wong") is a professional auditor with previous experience at PwC, Kuala Lumpur, where she worked in the Consumer Industrial Products Group and was involved in auditing listed companies and their subsidiaries.

In addition to her work at PwC, Ms. Wong has also participated in auditing listed companies and small to medium-sized enterprises with a focus on manufacturing, services, and small and medium-sized businesses at Wong Liu & Partners in Butterworth.

Furthermore, Ms. Wong has worked as a tax associate at Wong Liu Tax (Butterworth) Sdn. Bhd., where she handled individual and corporate tax matters.

Ms. Wong's experience extends beyond auditing and taxation. She has also served as a Human Resources ("HR") and Operations Manager at Esabee Biotika Sdn. Bhd., where she was responsible for various HR functions, front office and back-end operations, as well as product management.

#### Date of Appointment:

01 June 2023

#### Other directorships of public companies:

MAG Holdings Berhad

#### Membership of Board Committees:

Nil

#### Family relationship with any director and / or major shareholder of XLHB:

Ms. Wong is the spouse of Mr. Ng Min Lin, the Executive Chairman and a major shareholder of the Company

#### Conflict of interest or potential conflict of interest, including any interest in any competing business with XLHB and its subsidiaries:

Nil

#### Convictions for offences within the past 5 years other than traffic offences:

Nil

#### Attendance at Board Meetings held during the financial year:

No. of meetings held

5

No. of meetings attended

5

## PROFILE OF DIRECTORS (CONT'D)

### NG FUN KIM

Independent Non-Executive Director

Male / Age 60 / Malaysian

**Chartered Accountant**

#### Working experience & Occupation:

Mr. Ng Fun Kim ("Mr. Ng") studied Association of Chartered Certified Accountants at the University of Central England in Birmingham, United Kingdom ("UK"). He is a member of the Malaysian Institute of Accountants.

Mr. Ng started his career in the IT industry as a database programmer in a public listed company in Birmingham, UK. He gained his audit experience from working in audit firms within Malaysia and Singapore. He was also a Financial Controller to a company which involved in organising airshows in Bangkok and Chief Financial Officer for a group of companies that required him to travel to many Asian countries.

Mr. Ng currently owns an Advisory and Consultancy firm. Mr. Ng has done investigations and forensic investigations in Criminal Breach of Trust cases, working closely with Deputy Public Prosecutors and to attend courts as a subject matter expert. He has designed and implemented various internal audits controls for multi-national companies and medium sized companies.

#### Date of Appointment:

12 July 2024

#### Other directorships of public companies:

Supergenics Berhad  
LKL International Berhad  
Parlo Berhad

#### Membership of Board Committees:

- Chairman of Audit Committee
- Member of Nomination Committee
- Member of Risk Management Committee
- Member of Remuneration Committee

#### Family relationship with any director and / or major shareholder of XLHB:

Nil

#### Conflict of interest or potential conflict of interest, including any interest in any competing business with XLHB and its subsidiaries:

Nil

#### Convictions for offences within the past 5 years other than traffic offences:

Nil

#### Attendance at Board Meetings held during the financial year:

No. of meetings held since 12 July 2024

4

No. of meetings attended

4



## PROFILE OF KEY MANAGEMENT

### ONG BOON SHENG

Male / Age 49 / Malaysian

#### ***Finance & Marketing***

Mr. Ong Boon Sheng is appointed as the Executive Director of subsidiary companies of our Group since March 2015. He holds a Bachelor's Degree in Finance & Accountancy from University of Abertay Dundee.

His working experience including 6 years as an Administrative & Finance manager for a multinational company. Back in Malaysia, he started his own business in trading and production of aqua products such as arowana, flowerhorn, betta and guppy;

In year 2000, he has moved on to the marketing sector and work for a few local companies and also led the ISO project implementation and internal audit for those companies;

He provides independent advisory services on the inventory control system for Xian Leng Trading Sdn. Bhd. before his appointment with the Group.

He does not hold any directorships in any other public companies and listed issuer.

He has no family relationship with any Director and/or major shareholder of the Group and has no conflict of interest or potential conflict of interest, including any interest in any competing business with the Group. He has not been convicted of any offences in the last five (5) years other than minor traffic offences, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 April 2025.

### TAN WEI CHUN

Male / Age 44 / Malaysian

#### ***Marketing & Business Management***

Mr. Tan Wei Chun was appointed as the Managing Director of Xian Leng EBN Trading Sdn. Bhd. on 2 January 2020. He obtained his Diploma in Electronic Communication Engineering in 2002 from Politeknik Sultan Abdul Halim Mu'adzam Shah (POLIMAS) in Kedah, Malaysia. In 2007, he graduated with a Bachelor Degree (Honours) in Communication Engineering from University Malaysia Perlis (UNIMAP).

He possessed over 17 years of working experience in the edible bird nest industry. He started his professional career in edible bird nest industry in 2007 where he travelled to Indonesia and undertook several courses to learn about the design of swiftlet houses and set up his own swiftlet house at the same year. From 2007 to 2011, he mainly did freelance consulting work, providing consultancy services to swiftlet house owners. Over the years, he has consulted over 100 units of swiftlet house and 8 processing factories located in Indonesia, Sarawak, Thailand and Vietnam.

In 2011, he co-founded SSCM Northern Sdn. Bhd., a company principally involved in processing of raw unclean edible bird nest and research and development (R&D) on downstream edible bird nest products with UNIMAP, where he was mainly involved in overseeing the daily operation (i.e., production and marketing) of the company. He left

SSCM Northern Sdn. Bhd. in 2014 to pursue his personal business interest in swiftlet farming.

Between 2016 to 2018, he was appointed as a Director at Mfresh Green Sdn. Bhd., a company involved in the processing of frozen fruits where he was mainly involved in the settling up and management of frozen fruits processing factory. He was also appointed as a Director at Kedah Exotic Fruits Sdn. Bhd. in 2016 where he was involved in establishing a joint venture with Kedah State Government for plantation of coconut and papaya. Currently, he is a non-executive Director of Kedah Exotic Fruits Sdn. Bhd..

He does not hold any directorships in any other public companies and listed issuer.

He has no family relationship with any Director and/or major shareholder of the Group and has no conflict of interest or potential conflict of interest, including any interest in any competing business with the Group. He has not been convicted of any offences in the last five (5) years other than minor traffic offences, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 April 2025.



PROFILE OF KEY MANAGEMENT  
(CONT'D)**HO WEI YING**

Female / Age 40 / Malaysian

***Finance & Accounting***

Ms. Ho Wei Ying holds a Bachelor Degree in Accountancy from University of Bolton, United Kingdom.

Her career with XLHB began in 2004, where she held various positions in accounting, inventory, costing and assisting the information technology team of XLHB Group.

In 2010, she was promoted to the post of Account and Finance Manager and she was responsible for the account/financial analysis, reporting and controlling of the Group. Currently, she is the Group's Chief Financial Officer, who oversees the finance and accounting functions in the Group.

She does not hold any directorships in any other public companies and listed issuer.

She has no family relationship with any Director and/or major shareholder of the Group and has no conflict of interest or potential conflict of interest, including any interest in any competing business with the Group. She has not been convicted of any offences in the last five (5) years other than minor traffic offences, and there have not been any public sanctions nor penalties imposed upon her by any relevant regulatory bodies for the financial year ended 30 April 2025.



## CHAIRMAN'S STATEMENT

**DEAR  
SHAREHOLDERS,**

*I am honoured to once again address you in my capacity as the Executive Chairman of XL Holdings Berhad ("XLHB"). On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of the Group for the financial year ended 30 April 2025 ("FYE 2025").*

### **OPERATING ENVIRONMENT**

The global economic environment in late 2024 and early 2025 remained challenging, marked by persistent geopolitical tensions, elevated interest rates, and supply chain disruptions. Climate-related volatility further pressured global agriculture and aquaculture, driving up input costs and creating supply inconsistencies.

The ongoing conflict in the Middle East has kept shipping and logistics under strain, with the Red Sea crisis continuing to extend freight durations and inflate costs. At the same time, a new wave of protectionist trade policies worldwide has disrupted global trade flows and increased uncertainty. These conditions underscore the challenges for XLHB in pursuing export opportunities.

While the external environment remains volatile, Malaysia's long-term policies on food security and sustainable agriculture present strategic opportunities for XLHB to strengthen its role in the national agrofood system. Under the National Agrofood Policy 2021–2030 (NAP 2.0), priorities include modernising agriculture and aquaculture through R&D and smart farming, enhancing value chains, and developing high-impact sectors such as fruits, fisheries, and aquaculture. This policy framework supports XLHB's efforts to improve yield, sustainability, and income growth across pineapple farming, prawn hatchery, and fish farming operations.

### **REVIEW OF FINANCIAL PERFORMANCE**

Despite the challenging global backdrop, XLHB delivered a significantly improved financial performance for FYE 2025. The Group recorded total revenue of RM109.1 million, representing a substantial increase of 54.7% from RM70.5 million in FYE 2024. Profit before taxation also rose meaningfully to RM10.4 million from RM6.9 million in the previous year, reflecting a growth of approximately 50.4%.

This commendable performance was driven by steady contributions across our main segments, with particularly strong growth seen in our pineapple cultivation and seafood trading businesses. Effective cost control and operational efficiency were key enablers in maintaining profitability despite inflationary pressures and supply chain constraints.

The results affirm the strength and agility of our vertically integrated business model, which allows us to respond swiftly to market dynamics and manage risks effectively. We remain committed to driving sustainable, long-term growth by reinforcing our operational fundamentals and maintaining fiscal discipline.

## **LOOKING AHEAD**

As we look to the future, we do so with cautious optimism. While global uncertainty and climate-related risks remain, the fundamentals of our business continue to be robust. Our vertically integrated model, which spans farming to trading, offers us resilience and flexibility in the face of volatile market conditions.

To mitigate rising input costs, we will continue to adopt climate-resilient farming practices and explore cost-effective feed alternatives in our hatchery operations. We are also working closely with research institutions to enhance our cultivation techniques, particularly in seaweed farming, which presents both commercial potential and environmental benefits.

Sustainability remains a cornerstone of our strategy. We are committed to strengthening our ESG practices, including better monitoring of our environmental footprint and aligning with national sustainability goals. The Group will also explore opportunities to leverage green incentives and collaborate on biodiversity conservation projects that support our aquaculture activities.

Looking ahead, XLHB remains committed to identifying opportunities that align with its core business strengths and contribute meaningfully to its long-term growth strategy. The Group's proactive approach reflects its commitment to innovation and strategic expansion within the agriculture and aquaculture sectors. The Board remains optimistic about XLHB's ability to scale operations and improve financial performance in a sustainable and responsible manner.

## **DIVIDEND POLICY**

In view of the continued macroeconomic uncertainties and the need to conserve funds for future strategic initiatives, the Board has decided not to recommend any dividend for FYE 2025. This prudent approach ensures that we maintain a strong financial buffer to support long-term growth. The Board will continue to review our dividend policy regularly and will resume distributions when conditions are appropriate.

## **ACKNOWLEDGEMENTS**

On behalf of the Board, I would like to express my sincere appreciation to all shareholders for your ongoing support and confidence. I also extend my deepest gratitude to our employees for their dedication, professionalism, and resilience during a challenging year.

We thank our business partners, customers, government agencies, and regulators for their continued collaboration. Finally, I wish to thank my fellow Board members for their counsel and commitment as we collectively steer the Group toward sustainable and profitable growth.

We remain committed to delivering long-term value for all stakeholders.

**Ng Min Lin**  
Executive Chairman  
21 August 2025



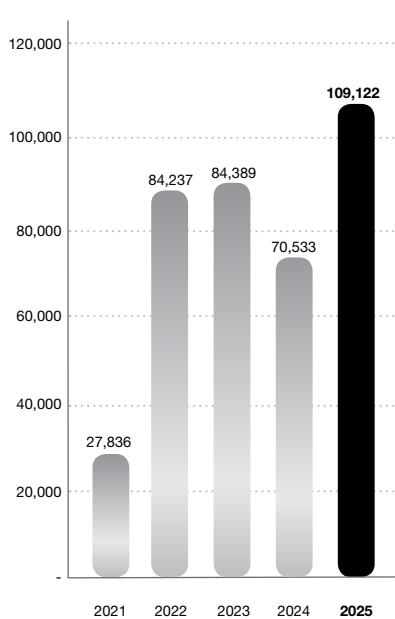
## GROUP FINANCIAL HIGHLIGHTS

The financial result of XL Group for the past five (5) years ended 30 April 2025 are set as below:-

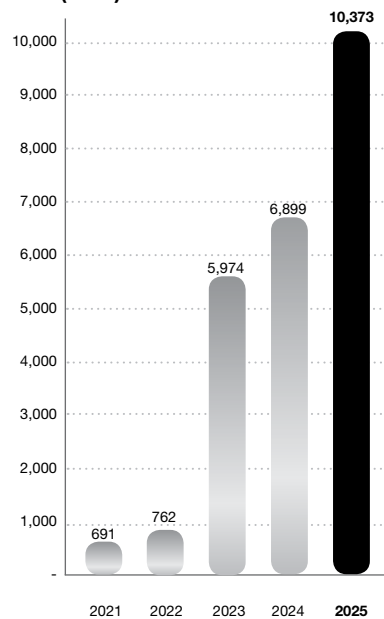
Description	31 January 2021 RM'000	31 January 2022 RM'000	30 April 2023 RM'000	30 April 2024 RM'000	30 April 2025 RM'000
Revenue	27,836	84,237	84,389	70,533	<b>109,122</b>
Profit/(Loss) before taxation	691	762	5,974	6,899	<b>10,373</b>
Profit/(Loss) after taxation	469	116	5,357	6,997	<b>9,828</b>
Total assets	48,912	104,956	154,913	190,364	<b>212,732</b>
Total equity	47,256	84,024	144,679	181,883	<b>205,569</b>
Basic earning per share (sen)	0.23*	0.05*	1.61*	1.94*	<b>2.57</b>

\* Adjusted retrospectively to reflect the bonus issue of 2 bonus shares for every 5 existing ordinary shares which was completed on 30 September 2024.

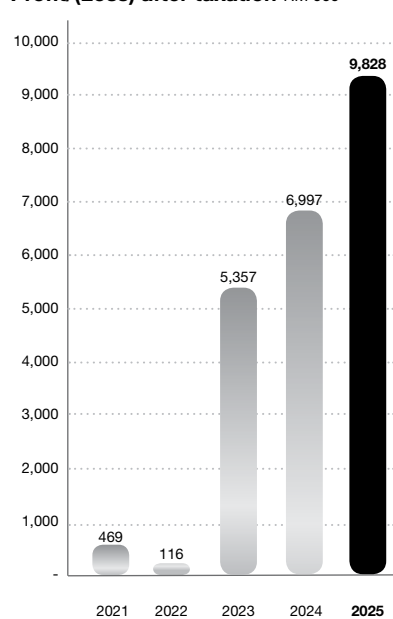
Revenue RM'000



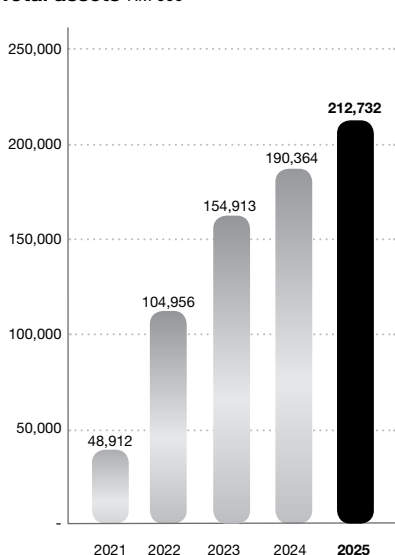
Profit/(Loss) before taxation RM'000



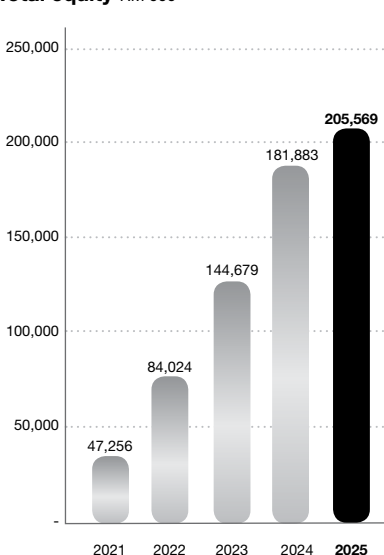
Profit/(Loss) after taxation RM'000



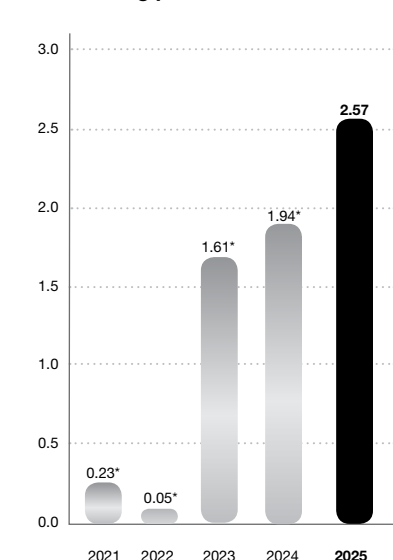
Total assets RM'000



Total equity RM'000



Basic earning per share sen



# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

XL Holdings Berhad ("XLHB" or the "Company") was incorporated in Malaysia on 28 August 1998 as a private limited company. It was later converted into a public company and renamed to Xian Leng Holdings Berhad on 26 September 2000. XLHB successfully debuted on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 5 December 2001. Subsequently, on 4 September 2003, XLHB made history by becoming the first company in the fisheries sector to be transferred to the Main Market of Bursa Securities. The Company adopted its current name, XL Holdings Berhad, on 23 April 2021.

### Foods Segment

The Company's food segment encompasses the trading of edible foods, focusing on ready-to-serve meals through its wholly-owned subsidiary, XL Foods Sdn. Bhd. This subsidiary plays a pivotal role in producing and distributing a variety of ready-to-serve meals, catering to consumer convenience and culinary preferences in the market.

### Fish Farming Segment

The Group's fish farming segment specializes in the breeding of various species, including the Asian Arowana, Stingray, and a range of other tropical fish. The Group currently operates fish farms at various sites across Batu Pahat in Johor Darul Takzim. The fish farm previously operating in Kluang has ceased operations following the expiry of the lease agreement.

The fish farming segment encompasses the captive breeding of Asian Arowana and Stingray, as well as the breeding and holding of popular ornamental fish such as Goldfish, Carp, Cichlids, Anabantids, Catfish, and Angelfish. In addition, the segment is involved in the trading of aquaculture products, supporting the distribution and sale of both captive-bred and externally sourced aquatic species.

### Merchandise Segment

The principal activities of this segment involve the trading of ornamental fishes and aquarium accessories, as well as the supply of pet food. This includes the sale of a diverse array of tropical fishes such as Goldfish, Japanese Carps, Barbs, Cichlids, and Anabantids.

XLHB positions itself as a comprehensive one-stop centre offering a wide range of ornamental fish and related facilities. The ornamental fish trading centre, situated in Batu Pahat, Johor, specialises in retailing aquarium fish alongside a variety of associated products. These include aquariums and accessories, fish feed, and medications, catering to the needs of aquarium enthusiasts and pet owners alike.

This strategic positioning allows XLHB to capitalise on the growing demand for ornamental fish and related products, enhancing its presence in the pet and aquarium market while providing comprehensive solutions to its customers.

### Growing Crop Segment

The Group commenced its agriculture activities in pineapple farming on an established plantation starting from 22 March 2022. This initiative followed the acquisition of Ergobumi Sdn Bhd ("Ergobumi"), which specialises in pineapple farming, as well as the purchase, trading, processing, and distribution of pineapple products.

The pineapple plantation typically undergoes a processing period of 15-18 months before the fruits reach maturity. This timeframe allows for the cultivation and development of pineapple crops to ensure optimal quality and yield.

### Other Segment

This segment now primarily comprises hatchery operations and the trading of seaweed. The hatchery business, which commenced operations in August 2024, focuses on the production of high-quality baby prawns to support the Group's aquaculture activities. Seaweed trading started during the year and has generated initial sales, contributing on a modest scale to the Group's revenue. Meanwhile, the bird's nest trading activity remains part of this segment, although it has slowed due to softening market demand and changing consumer preferences. The logistics business, which was previously part of this segment, has been disposed during the year.





## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### YEAR-ON-YEAR FINANCIAL REVIEW

In the financial year ended 30 April 2025 ("FYE 2025"), the Group reported total revenue of RM109.1 million, an increase of RM38.6 million or 54.7% compared to RM70.5 million recorded in the previous year ended 30 April 2024 ("FYE 2024"). This growth was largely attributable to the strong performance in the food segment and continued contribution from the growing crop segment. Despite the increased revenue, Gross Profit ("GP") rose at a more moderate pace of 13.2% to RM26.3 million, reflecting a shift in revenue mix and pressure on certain segment margins. As a result, the GP margin declined from 33.0% in FYE 2024 to 24.1% in FYE 2025. The Group recorded a significant improvement in Profit Before Tax ("PBT"), increasing by RM3.5 million or 50.4% to RM10.4 million in FYE 2025, demonstrating operational resilience and efficiency. Net Profit After Tax ("PAT") of the Group also increased to RM9.8 million, up by 40.5% compared to RM7.0 million in the prior year.

	Audited 01.05.2024 to 30.04.2025	Audited 01.05.2023 to 30.04.2024	Variance	
Our financial performance	RM'000	RM'000	RM'000	%
Revenue	109,122	70,533	38,589	54.7%
GP	26,324	23,251	3,073	13.2%
PBT	10,373	6,899	3,474	50.4%
PAT	9,828	6,997	2,831	40.5%
GP margin (%)	24.1%	33.0%	-8.9bp	-27.0%
PBT margin (%)	9.5%	9.8%	-0.3bp	-3.1%
PAT margin (%)	9.0%	9.9%	-0.9bp	-9.1%

	Audited 01.05.2024 to 30.04.2025	Audited 01.05.2023 to 30.04.2024	Variance	
Revenue by segment	RM'000	RM'000	RM'000	%
Investment holding	2	3	-1	-33.3%
Foods	80,727	44,255	36,472	82.4%
Fish Farming	5,629	3,643	1,986	54.5%
Merchandise	10,988	13,127	-2,139	-16.3%
Growing Crop	10,481	8,580	1,901	22.2%
Other	1,295	925	370	40.0%
<b>Revenue</b>	<b>109,122</b>	<b>70,533</b>	<b>38,589</b>	<b>54.7%</b>

In FYE 2025, the Group's revenue reached RM109.1 million, reflecting a substantial year-on-year ("YoY") increase of RM38.6 million or 54.7%, compared to RM70.5 million in FYE 2024. This robust growth was mainly driven by the strong performance in the foods and growing crop segments, with improved contributions from other business units.

The foods segment remained the Group's core revenue contributor, generating RM80.7 million or 74.0% of total revenue in FYE 2025, up from RM44.3 million or 62.7% in the previous year. The increase was driven by higher market demand for ready-to-eat and trading products across domestic and regional markets.

The growing crop segment also continued its upward trajectory, contributing RM10.5 million or 9.6% of total revenue in FYE 2025, compared to RM8.6 million or 12.2% in FYE 2024. The improved performance reflects higher pineapple and sucker sales following better yield from maturing plantations under Ergobumi, the Group's agriculture unit.

The merchandise segment, while previously the second-largest contributor in FYE 2024, recorded a slight decline in revenue to RM11.0 million in FYE 2025 or 10.1% of total revenue, from RM13.1 million or 18.6% in the prior year. This relative decrease in revenue share reflects the faster growth of other segments rather than a significant decline in merchandise performance.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

In FYE 2025, Fish farming and other segments remained stable, with fish farming contributing RM5.6 million and other operations including hatchery and seaweed trading contributing RM1.3 million. The investment holding segment remained negligible.

These changes in revenue contribution reflect the stronger performance of certain segments during the year, particularly in food trading and agriculture. Their encouraging results highlight the potential of these business units to contribute meaningfully to the Group's overall profitability.

	Audited As at 30 April 2025	Audited As at 30 April 2024	Variance	
Our financial performance	RM'000	RM'000	RM'000	%
Non-current assets	114,041	122,058	-8,017	-6.6%
Current assets	98,691	68,306	30,385	44.5%
Non-current liabilities	2,241	3,299	-1,058	-32.1%
Current liabilities	4,921	5,183	-262	-5.1%
Equity attributable to owners of the Company	205,569	182,372	23,197	12.7%

Non-current assets, comprising property, plant and equipment, right-of-use ("ROU") assets, biological assets, and goodwill, decreased to RM114.0 million as at 30 April 2025 (FYE 2024: RM122.1 million), representing a reduction of RM8.0 million or 6.6%. This decline was mainly due to depreciation and amortisation charges as well as the exclusion of biological assets related to the growing crop segment from non-current classification.

Current assets rose significantly by RM30.4 million or 44.5%, reaching RM98.7 million as at 30 April 2025 (FYE 2024: RM68.3 million). This increase was primarily attributed to higher cash and bank balances, improved trade and other receivables, and an increase in biological assets in line with operational expansion. Further details on cash movements are discussed in the "Liquidity, Capital Resources and Gearing" section.

Non-current liabilities, which include ROU lease liabilities and deferred tax liabilities, declined by RM1.1 million or 32.1% YoY to RM2.2 million as at 30 April 2025 (FYE 2024: RM3.3 million). This decrease was mainly due to the settlement of lease obligations and a reduction in deferred tax liabilities.

Current liabilities decreased modestly to RM4.9 million as at 30 April 2025, compared to RM5.2 million in the previous year, reflecting a reduction of RM0.3 million or 5.1%. The decline was mainly due to lower lease liabilities and improved creditor management.

### Liquidity, capital resources and gearing

	Audited As at 30 April 2025	Audited As at 30 April 2024	Variance	
Our cash flow from/(used in)	RM'000	RM'000	RM'000	%
Operating activities	7,838	5,963	1,875	31%
Investing activities	1,265	-27,803	29,068	-105%
Financing activities	9,578	27,123	-17,545	-65%
Net increase/(decrease) in cash and cash equivalents	18,681	5,283	13,398	254%

The Group maintained a strong liquidity position as at 30 April 2025, with cash and bank balances rising to RM28.0 million (FYE 2024: RM9.3 million). This increase reflects improved profitability, effective working capital management, and prudent financial planning.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

**Net cash from operating activities** rose to RM7.8 million, up from RM6.0 million in the previous year. This improvement was primarily driven by higher profit before tax and a positive change in working capital, supported by improved collections and favourable credit terms from suppliers.

**Net cash flow from investing activities** recorded an inflow of RM1.3 million in FYE 2025 compared to a net outflow of RM27.8 million in FYE 2024. The improvement was mainly driven by proceeds from the disposal of assets and the absence of major acquisitions during the year, as the Group continued to focus on consolidating its past investments, particularly in farming and processing infrastructure.

**Net cash from financing activities** amounted to RM9.6 million, primarily from proceeds raised via corporate exercises, including the issuance of new shares and the conversion of redeemable convertible notes ("RCN"). This compares to RM27.1 million in the previous year, which included larger inflows to support expansion plans.

The Group continues to fund its operations through a balanced mix of internally generated cash and supplier credit arrangements. Supplier credit terms generally range between 30 and 90 days, supporting flexibility in managing working capital requirements.

Management remains confident that, with its existing cash reserves, stable operational cash flow, and available financing options, the Group is well-positioned to meet both near-term obligations and long-term strategic goals.

In line with the Group's diversification strategy, no dividends were declared for FYE 2025. The Group remained focused on preserving liquidity to support future growth initiatives.

As at 30 April 2025, the Group is not aware of any material commitments, contingencies, or subsequent events that would significantly impact its financial position or liquidity.

## CORPORATE EXERCISES

During the FYE 2025, XLHB undertook several corporate actions aimed at enhancing shareholder value, incentivising employees, and strengthening the Group's capital structure.

On 4 June 2024, the Company proposed a bonus issue of up to 124,567,920 new ordinary shares on the basis of two (2) bonus shares for every five (5) existing XLHB shares held, together with a bonus issue of up to 217,993,860 free warrants on the basis of one (1) warrant for every two (2) XLHB shares held. These initiatives were designed to reward loyal shareholders and enhance the liquidity of the Company's shares. The listing application for the bonus shares and warrants was submitted to Bursa Securities on 13 June 2024. On 30 September 2024, the Company issued and listed 124,567,908 new shares (including of 152,000 Bonus Shares to be held as treasury shares), followed by the issuance and listing of 217,727,850 warrants on 24 October 2024 on the Main Market of Bursa Securities.

The Company completed a private placement exercise on 1 July 2024, resulting in the issuance of 26,874,006 new ordinary shares for a total consideration of RM18.274 million. The proceeds were fully deployed to support the Group's working capital and strategic investment activities.

The Group also completed its RCN programme during the year. As at 30 April 2025, RCNs with an aggregate principal amount of RM107.5 million had been issued and fully converted into 188,697,594 new ordinary shares at an average conversion price of RM0.5697 per share. The RCN programme reached maturity in 27 September 2024, and the proceeds raised were fully utilised within the financial year.

In line with the Group's commitment to talent retention and performance alignment, the Company implemented the Long-Term Incentive Plan ("LTIP") through the issuance of share-based incentives, which was approved by shareholders at the Extraordinary General Meeting held on 22 April 2021. On 14 January 2025, a total of 2.57 million share under the Share Grant Plan ("SGP") and 12.4 million share options under the Employees' Share Option Scheme ("ESOS") were offered to eligible employees and Directors at an exercise price of RM0.465 per share. Further details on the movements are disclosed on page 61 of this Annual Report.

## OUTLOOK AND FOCUS

The global business landscape continues to evolve amid rising geopolitical tensions, climate uncertainties, and shifting consumption patterns. Despite these challenges, the Malaysian economy recorded robust growth of 5.1% in 2024, driven by strong domestic demand and recovery in key sectors. With steady inflation and historically low unemployment, the macroeconomic environment remains conducive for business continuity and expansion.

Looking ahead, XLHB remains cautiously optimistic. The Group is supported by a diversified portfolio across food trading, agriculture, and aquaculture, which has shown encouraging resilience and profitability.

In the agriculture segment, the Group anticipates further yield improvements supported by ongoing cultivation efforts and operational enhancements. Additionally, the hatchery operations initiated in August 2024 are expected to ramp up, contributing to future aquaculture growth. The Group will continue to monitor the performance of its seaweed-related activities and assess the potential for further development in this area.

On the strategic front, XLHB is committed to prudent capital management and value-accretive investments. The Group retains healthy liquidity from past corporate exercises, providing flexibility to pursue growth initiatives when conditions are right. At the same time, we continue to invest in operational excellence, strengthen governance, and implement sustainability practices across all core businesses.

While external risks such as climate disruptions, input cost inflation, and global trade uncertainties may persist, XLHB's integrated approach and strong fundamentals place the Group in a position to navigate these challenges and deliver long-term value to shareholders.



# SUSTAINABILITY STATEMENT

## ABOUT THE STATEMENT

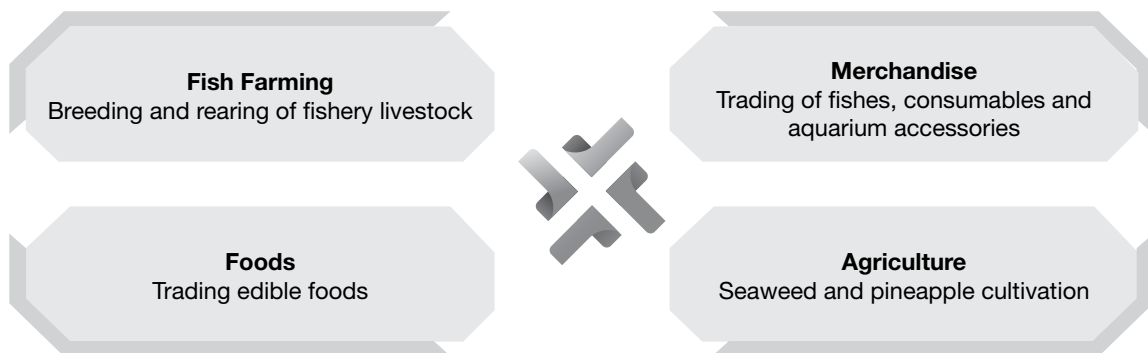
XL Holdings Berhad (“**XLHB**,” “**Company**,” or “**Group**”) is pleased to present our annual Sustainability Report, reflecting our ongoing commitment to environmental stewardship, social responsibility, and ethical governance.

We view sustainability not as a destination, but as a continuous journey we undertake in partnership with our stakeholders. This report transparently shares our progress in operating responsibly, minimising our environmental footprint, and creating positive social impact. While we celebrate the steps we have taken, we recognise there is always more we can do to improve and create lasting value.

Through this report, we aim to openly communicate our achievements, lessons learned, and aspirations for the future as we work towards building a more sustainable business.

## OUR COMPANY

XLHB was established in Malaysia in 1998 and listed on Bursa Malaysia in 2001. Originally focused on fisheries, we became the first company in this sector to move to the Main Market in 2003. As at 30 April 2025, we operate across multiple sectors including fish farming, trading edible foods, merchandise, and agriculture through our 14 subsidiary companies.



As an investment holding company, we manage diverse businesses while maintaining our commitment to sustainable growth and innovation.

## REPORTING SCOPE AND FRAMEWORK

This report details our sustainability performance for the period from 1 May 2024 to 30 April 2025, aligning with XLHB’s financial year cycle. We have structured our disclosures to meet rigorous international and local standards, including:



- **Global Reporting Initiative (“GRI”) Standards** - Ensuring comprehensive and meaningful sustainability disclosures
- **Bursa Malaysia’s Sustainability Reporting Guidelines** - Meeting local regulatory expectations for transparency
- **UN Sustainable Development Goals (“SDG”s)** - Contributing to global priorities including climate action and social equity

All data and information presented relate specifically to our operations during this reporting period unless otherwise stated. We maintain stringent reporting standards to ensure accuracy and completeness, upholding stakeholder trust through verifiable and impactful sustainability reporting.



## ASSURANCE

XLHB engaged an independent third party to review select sustainability data and processes. While we strive for accuracy, we recognise reporting can always improve. The full assurance findings are available upon request. We welcome feedback as we continue strengthening our disclosures through ongoing learning and collaboration with stakeholders.

## SUSTAINABILITY APPROACH

We recognise that true sustainability requires constant learning and improvement. We are on a journey to align our business practices with the needs of both people and planet, understanding that this path demands ongoing commitment and adaptation.

Our approach is built on three interconnected priorities:

### ENVIRONMENT

Environmentally, we focus on reducing resource use across our aquaculture, agriculture and food operations, while exploring innovative solutions to minimise our ecological impact.

### SOCIAL

We are committed to walking alongside local communities, fostering meaningful partnerships through fair employment opportunities, skills training programmes, and sustainable initiatives that strengthen food security while supporting livelihoods.

### GOVERNANCE

Governance guides our journey. We prioritise transparency and ethical leadership, maintaining strong oversight of our sustainability work. While progress has been made, we recognise there is always more to learn and improve.

We welcome dialogue with all stakeholders as we continue to evolve our practices, always striving to balance economic viability with environmental care and social responsibility. Our annual reporting reflects both our achievements and the challenges we still face in building a truly sustainable business.



## SUSTAINABILITY STATEMENT (CONT'D)

### OUR ALIGNMENT WITH UN-SDG

XLHB recognise that responsible business growth must align with global sustainability priorities. The following table illustrates how our core operations actively support six United Nations Sustainable Development Goals while advancing our environmental, social and governance commitments. These connections demonstrate our practical approach to addressing food security, fair employment, resource conservation and climate resilience through everyday business activities.



Each SDG connects to XLHB's ESG framework, demonstrating how our business creates shared value for stakeholders while protecting the environment. We measure and report progress annually to ensure continuous improvement.

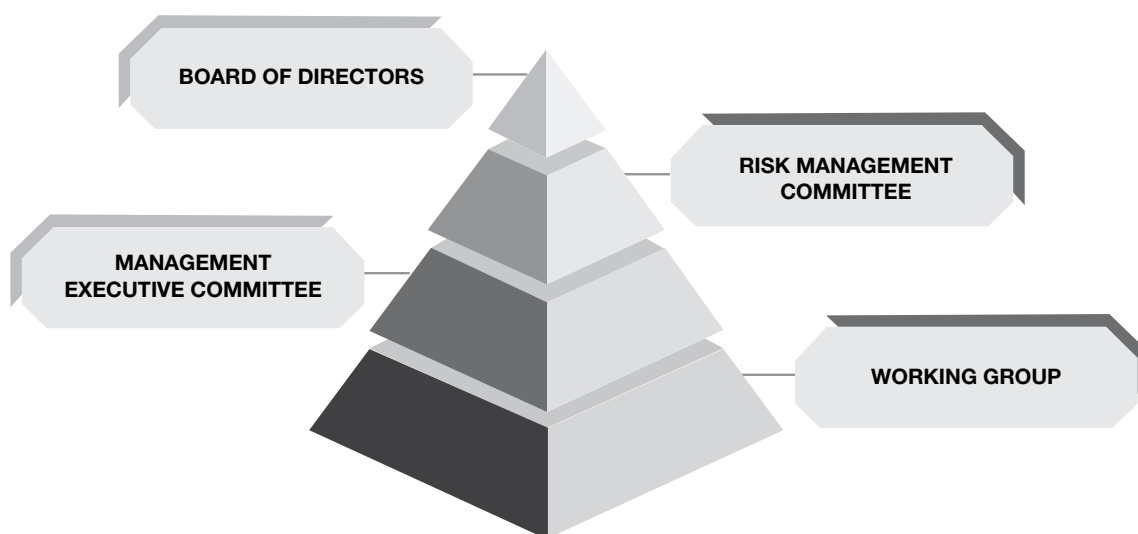
### GOVERNANCE MATTERS

Strong governance forms the foundation of our sustainability journey. We believe transparent decision making, ethical business practices and accountability are essential to creating long term value for all stakeholders. Our governance framework ensures sustainability is embedded at every level, from Board oversight to daily operations, aligning with both global standards and local expectations.

We maintain rigorous policies on anti-corruption, risk management and regulatory compliance, while actively engaging with stakeholders to address emerging challenges. Through regular disclosures and independent audits, we demonstrate our commitment to operating responsibly. Good governance enables us to balance economic growth with environmental care and social progress, building trust as we work towards a more sustainable future.

## SUSTAINABILITY GOVERNANCE CORPORATE STRUCTURE

Our sustainability governance is structured to ensure effective oversight, strategic implementation, and operational execution. The Board of Directors holds ultimate responsibility for sustainability matters, providing leadership and approving our Environmental, Social, and Governance (“ESG”) framework. Supporting the Board are three key committees: the Risk Management Committee, which identifies and mitigates ESG-related risks; the Management Executive Committee, which translates sustainability strategies into actionable policies; and the Sustainability Working Group, which drives day-to-day implementation across business units.

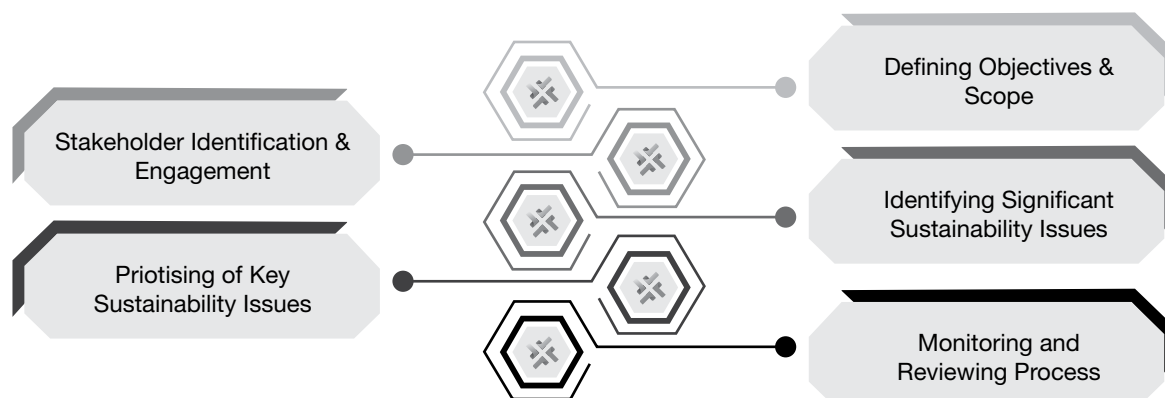


This multi-tiered structure enables comprehensive sustainability management. The Board sets the strategic direction, while the Risk Management Committee ensures alignment with our risk appetite and regulatory requirements. The Management Executive Committee oversees cross-departmental coordination, and the Working Group executes specific initiatives, from emissions reduction to community programs. Regular reporting flows upward through these channels, creating accountability at every level and ensuring sustainability remains integrated throughout XLHB’s operations.

## MATERIAL MATTERS AND ASSESSMENT PROCESSES

XLHB recognise that understanding and addressing our most critical sustainability challenges is key to delivering long term value for all stakeholders. In 2025, we conducted a materiality assessment through in-depth consultations with internal teams and external partners. This process ensures our sustainability strategy remains responsive to stakeholder concerns and industry developments.

The following section outlines our structured approach to identifying and prioritising material sustainability topics, demonstrating our commitment to transparency and focused action in our sustainability efforts.





## SUSTAINABILITY STATEMENT (CONT'D)

### • Defining Objectives and Scope

Our materiality assessment begins by setting clear goals and boundaries, focusing on sustainability factors most relevant to XLHB's business operations and stakeholder priorities. This ensures our approach remains strategically aligned and results driven.

### • Stakeholder Identification and Engagement

We view stakeholders as partners who both influence and are impacted by our business. Through structured consultations across multiple channels, we gather insights to understand their evolving expectations. This ongoing dialogue enables us to:

- Integrate stakeholder perspectives into our sustainability strategy
- Build stronger relationships through active listening
- Improve ESG performance and long term resilience

The feedback collected directly shapes our priority actions, ensuring we create mutual value for all stakeholders.

Shareholders & Investors	
Engagement Methods	Key Areas of Interest
<ul style="list-style-type: none"> <li>• Annual and Extraordinary General Meetings</li> <li>• Corporate website</li> <li>• Quarterly financial announcements</li> <li>• Press releases and industry events</li> </ul>	<ul style="list-style-type: none"> <li>• Business performance</li> <li>• Operational efficiency</li> <li>• Return on investment</li> </ul>
Suppliers, Service Providers & Consultants	
Engagement Methods	Key Areas of Interest
<ul style="list-style-type: none"> <li>• Adherence to procurement policies</li> <li>• Performance assessments</li> <li>• Direct discussions and negotiations</li> <li>• Regular meetings and evaluations</li> </ul>	<ul style="list-style-type: none"> <li>• Establishing strong strategic partnerships</li> <li>• Ensuring service quality and reliability across the supply chain</li> </ul>
Employees	
Engagement Methods	Key Areas of Interest
<ul style="list-style-type: none"> <li>• Regular meetings and discussions</li> <li>• Company-wide town hall sessions</li> <li>• Training and development programmes</li> <li>• Performance appraisals</li> </ul>	<ul style="list-style-type: none"> <li>• Fostering a safe and supportive work environment</li> <li>• Enhancing internal communication and employee engagement</li> <li>• Career growth and professional development opportunities</li> </ul>
Government & Regulatory Authorities	
Engagement Methods	Key Areas of Interest
<ul style="list-style-type: none"> <li>• Compliance inspections and audits</li> <li>• Participation in seminars, briefings, and training sessions</li> <li>• Consultations with local authorities</li> </ul>	<ul style="list-style-type: none"> <li>• Adherence to legal and regulatory requirements</li> <li>• Securing approvals, licenses, and relevant certifications</li> </ul>
Local Communities	
Engagement Methods	Key Areas of Interest
<ul style="list-style-type: none"> <li>• Participation in social and environmental programmes</li> <li>• Initiatives to support environmental conservation</li> <li>• Corporate social responsibility efforts</li> <li>• Employment opportunities for local talent</li> </ul>	<ul style="list-style-type: none"> <li>• Supporting social development initiatives</li> <li>• Encouraging environmental sustainability</li> <li>• Creating job opportunities for the local community</li> </ul>

## SUSTAINABILITY STATEMENT (CONT'D)

### • Identifying Significant Sustainability Issues

At XLHB, we do not claim to have all the answers on sustainability. Instead, we take time to listen carefully and learn in order to understand which ESG issues deserve our attention. Our approach considers:

- What impacts our business and stakeholders most significantly
- Where we can meaningfully contribute to positive change
- How we can align our efforts with global sustainability goals

We continuously learn from industry developments, regulatory requirements and our own operational experiences. While we have made progress in identifying key priorities, we acknowledge this remains an ongoing journey of improvement. The insights we have gathered help inform our next steps, which we present transparently in the following section.

No	Material Matter	Description
1	Economic Performance	Driving financial stability and long-term value creation through responsible and resilient business strategies.
2	Sustainable Water Management	Managing water resources responsibly by reducing consumption, improving efficiency, and supporting water conservation efforts.
3	Workplace Security and Protective Measures	Ensuring a secure work environment by implementing physical and digital safety protocols to protect employees and assets.
4	Business Continuity Planning	Preparing for potential disruptions through robust risk assessments and continuity strategies to maintain critical operations.
5	Employment to the Local Community	Supporting economic development by prioritising local hiring and providing meaningful job opportunities within host communities.
6	Diversity and Equal Opportunity	Promoting a diverse and inclusive workplace that ensures equal access to opportunities regardless of background or identity.
7	Company Security Procedures	Establishing and maintaining comprehensive security systems to safeguard people, property, and information.
8	Anti-Forced Labour and Anti-Child Labour	Committing to ethical labour practices by preventing all forms of forced and child labour across operations and the supply chain.
9	Human Rights Due Diligence and Risk Evaluation	Identifying, assessing, and addressing potential human rights impacts to uphold ethical standards across the value chain.
10	Customer Privacy Regulations	Ensuring compliance with data protection laws and safeguarding customer information from misuse or unauthorised access.







## SUSTAINABILITY STATEMENT (CONT'D)

- **Prioritisation of Key Sustainability Issues**

To support sustainable growth and long term value creation, XLHB has carried out a detailed assessment of the sustainability issues most relevant to our business and stakeholders. This evaluation considered the importance of each issue to our operations and stakeholder priorities, resulting in the Materiality Matrix shown earlier.

- **Monitoring and Review Process**

The Sustainability Committee is responsible for the continual improvement of our materiality assessment, ensuring it remains aligned with current priorities. Through regular reviews, XLHB assesses changing stakeholder expectations, business developments, and emerging sustainability trends. This flexible approach allows us to adapt and enhance our sustainability strategies in a fast-evolving landscape.

## ANTI-BRIBERY AND CORRUPTION



XLHB strictly prohibits bribery, corruption, and unethical gift-giving practices. In the reporting period, there were zero substantiated complaints related to violations of the Group's Anti-Bribery & Corruption ("ABC") policies.

ANTI-BRIBERY & CORRUPTION	FYE 2023	FYE 2024	FYE 2025	Target
Substantiated complaints pertaining to Anti-Bribery & Corruption and gift-giving incidents	0 case	0 case	0 case	0 case

All directors and employees are required to fully understand and adhere to the Malaysian Anti-Corruption Commission Act 2009 (including any amendments). XLHB reserves the right to report any suspicious activities of a criminal nature to the police or relevant authorities.

Employees who encounter or suspect any breach of the ABC Policy are strongly encouraged to raise concerns through the Group's Whistleblowing Policy. All reports will be handled strictly confidentially, ensuring protection for whistleblowers while upholding accountability and integrity across the organisation.

XLHB remains committed to ethical business conduct, transparency, and compliance with all applicable anti-corruption laws.

## WHISTLEBLOWING POLICY

XLHB's Whistleblowing Policy establishes a secure and confidential mechanism for employees and stakeholders to report unethical, illegal, or fraudulent activities, including corruption, bribery, fraud, misconduct, regulatory breaches, or threats to health, safety, and the environment.

The policy ensures whistleblower confidentiality and allows for anonymous reporting via a form available in our website (<https://xlhb.com.my/corporate-governance/whistle-blowing-policy/>) and the form will be sent directly to the Senior Independent Non-Executive Director, Mr Jason Fong Jian Sheng. XLHB guarantees protection against retaliation for good-faith reports and commits to prompt investigations with appropriate corrective actions. This framework reinforces the company's commitment to integrity, accountability, and compliance with legal and ethical standards.

## DATA PRIVACY AND SECURITY

XLHB is committed to upholding fair and ethical business practices. The company's Internal Audit function is a key part of maintaining integrity and regulatory compliance. While a formal Personal Data Protection Act (PDPA) policy is currently in development, the company is proactively working to implement robust data protection measures. It already has stringent security in place to safeguard personal and sensitive information from unauthorised access. Critical business documents, including financial records and proprietary data, are stored securely, with access limited strictly to duly authorised personnel. These actions demonstrate XLHB's steadfast commitment to confidentiality and data security, aligning with its established corporate governance framework and internal control policies. The company remains vigilant in upholding these standards and plans to formally adopt a comprehensive PDPA policy in the future.

DATA PRIVACY AND SECURITY	FYE 2023	FYE 2024	FYE 2025	Target
No. of complaints on data breach	0 case	0 case	0 case	0 case

## ECONOMIC MATTERS

### ECONOMIC PERFORMANCE

	FYE 2023 30 April RM	FYE 2024 30 April RM	FYE 2025 30 April RM
Direct economic value generated	85,108,396	71,044,424	111,159,995
Operating expenses	74,045,227	59,093,304	95,096,674
Wages and other payments to employees	4,725,514	4,740,785	5,424,205
Payments to providers of capital (i.e. dividend and financing cost)	357,114	311,427	266,301
Payment to government (including income tax expenses)	623,575	(98,390)	545,121
Economic Value Distributed	79,751,430	64,047,126	101,332,301
Economic Value Retained	5,356,966	6,997,298	9,827,694

XLHB demonstrates a strong recovery and growth trajectory following a challenging period. After a notable decline in direct economic value generated from FYE 2023 to FYE 2024, the company recorded a significant rebound in FYE 2025, reaching RM111.2 million. This growth was accompanied by a corresponding increase in both operating expenses and economic value distributed. Most importantly, despite these fluctuations, the company has consistently increased its Economic Value Retained, which grew from RM5.4 million in FYE 2023 to nearly RM10 million in FYE 2025. This steady upward trend in retained value suggests that the company is becoming more efficient at converting revenue into retained earnings, indicating a strengthening financial position and improved long-term profitability.



## SUSTAINABILITY STATEMENT (CONT'D)

### SUPPLY CHAIN MANAGEMENT

XLHB runs a practical supply chain that works well across different markets. We focus on three main things: running operations smoothly, being able to adjust quickly when needed, and working responsibly with suppliers. Our goal is to keep things simple, reliable and mindful of our impact while getting products

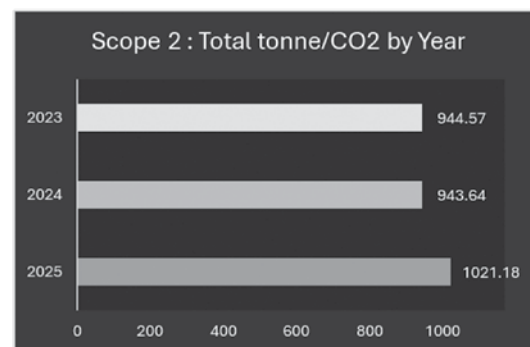
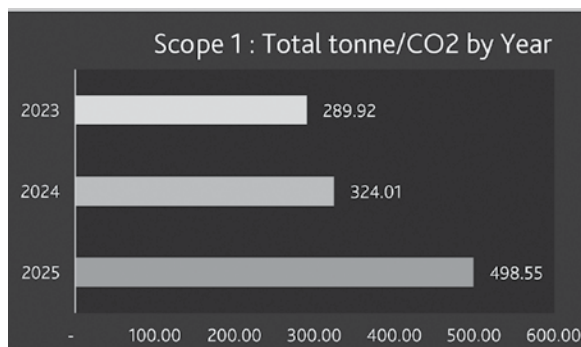
Year	Local (%)	Foreign (%)
FYE 2023	85.15%	14.85%
FYE 2024	95.05%	4.95%
FYE 2025	92.73%	7.27%

Note: Scope of data presented, originates from purchases made by Xian Leng Trading Sdn. Bhd, Xian Leng Aquatic Merchant Sdn. Bhd, Xian Leng Aquatic (Shah Alam) Sdn. Bhd, Xian Leng EBN Trading Sdn. Bhd, XL Foods Sdn. Bhd, XL Hatchery Sdn. Bhd, Ergobumi Sdn. Bhd.

XLHB reports a consistent prioritisation of local suppliers across its operations. In 2023, 85.15% of procurement spending was directed toward local suppliers, with the remaining 14.85% allocated to foreign sources. This reliance on local sourcing increased in 2024 to 95.05%, representing a 9.9% rise, before slightly declining to 92.73% in 2025, a marginal drop of 2.32%.

### ENVIRONMENTAL MATTERS

#### OVERVIEW OF GHG EMISSIONS



CATEGORY/YEAR	Tonne/CO <sub>2</sub>		
	FYE 2023	FYE 2024	FYE 2025
Scope 3 Overall	67.09	79.03	102.10
3.6 Business Travels	9.63	11.41	16.74
3.7 Employee Commuting	57.46	67.62	85.36

## SCOPE 1

XLHB's Scope 1 GHG emissions, which encompass direct emissions from owned or controlled sources, amounted to 498.55 tonnes of CO<sub>2</sub> in 2025, representing a 53.9% increase compared to 324.01 tonnes in 2024, and a 11.8% increase from 289.92 tonnes in 2023. The primary contributor to this rise was the significant escalation in emissions from generator sets, which surged from 5.46 tonnes in 2024 to 145.02 tonnes in 2025.

Emissions from company-owned trucks and vehicles, the largest consistent source of Scope 1 emissions, increased by 16.2% from 278.84 tonnes in 2024 to 323.99 tonnes in 2025, following a 37.6% increase from 235.40 tonnes in 2023.

Conversely, emissions from tractors and boom sprayers continued to decline, decreasing by 25.6% year-on-year from 39.72 tonnes in 2024 to 29.54 tonnes in 2025, after a 19.3% decrease the previous year.

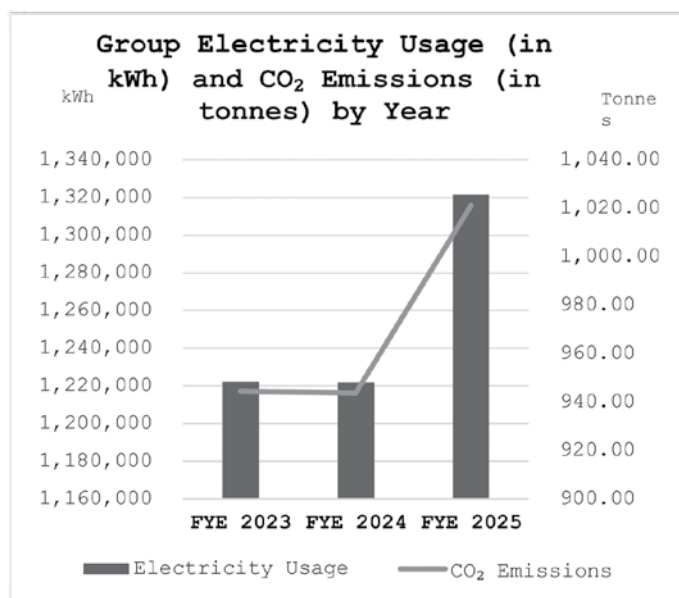
**Conversion rate for diesel and petrol is based on UK Government GHG Conversion Factors for Company Reporting by DEFRA.**

Scope 1 : Total tonne/CO <sub>2</sub> by Year			
	2023	2024	2025
Grand Total	289.92	324.01	498.55
Company Owned Truck/ Vehicle	235.40	278.84	323.99
Generator Set	5.32	5.46	145.02
Tractors, Boom sprayer	49.20	39.72	29.54

## SCOPE 2

XLHB reports a fluctuating trend in Scope 2 greenhouse gas (GHG) emissions over the reporting period. In 2023, the company recorded electricity consumption of 1,222,045.00 kWh, which resulted in 944.57 tonnes of CO<sub>2</sub> emissions. In 2024, electricity usage decreased to 1,221,863.00 kWh, with Scope 2 emissions slightly dropped to 943.64 tonnes of CO<sub>2</sub>, representing a 0.01% decrease in energy consumption and a 0.1% decrease in associated emissions.

However, in 2025, electricity consumption increased to 1,321,605.00 kWh, while Scope 2 emissions rose to 1,021.18 tonnes of CO<sub>2</sub>, marking a 8.16% increase in electricity usage and a 8.2% increase in emissions compared to 2024. Over the three-year period, XLHB's electricity consumption increased by 8.15%, and Scope 2 CO<sub>2</sub> emissions rose by 8.1%, reflecting a moderate upward trend in indirect emissions primarily driven by operational energy demand.



Note: Scope 2 Grid Emission Factors for peninsular Malaysia is 0.774 and for East Malaysia is 0.525. Source: <https://meih.st.gov.my/documents/10620/cdddb88f-aaa5-4e1a-9557-e5f4d779906b>

## SUSTAINABILITY STATEMENT (CONT'D)

	FYE 2023	FYE 2024	FYE 2025
Solar Panel Output (kWh)	158,724.89	165,076.48	168,023.23
Solar Avoidance (tonne/CO <sub>2</sub> )	122.85	127.77	130.05

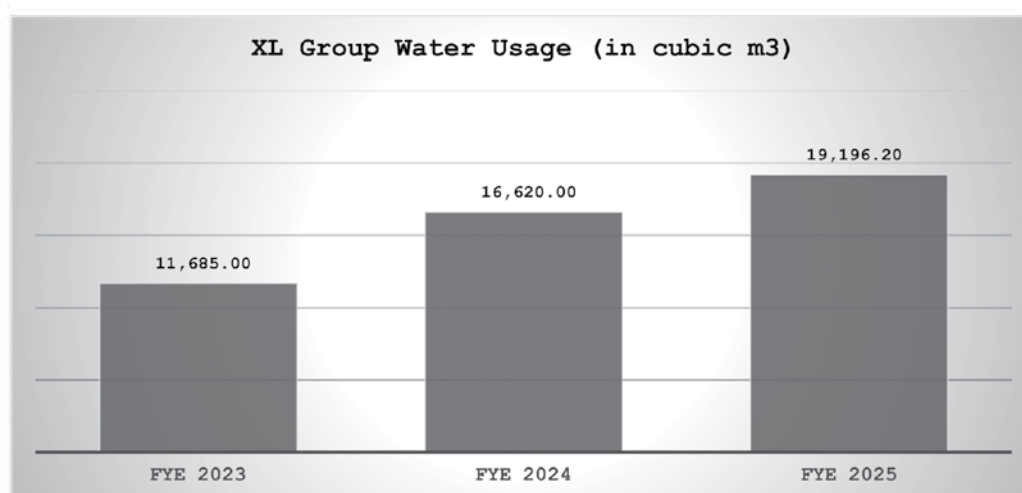
### Adoption of Solar Solutions in Sustainable Fish Farming



XLHB has implemented an on-site solar energy panel as part of our transition to become carbon neutral. In 2023, solar panel output reached 158,724.89 kWh, leading to 122.85 tonnes of CO<sub>2</sub> avoided. In 2024, solar generation increased to 165,076.48 kWh, with 127.77 tonnes of CO<sub>2</sub> avoided, reflecting a 4% rise in both energy output and associated emissions avoidance compared to the previous year. In 2025, output reached 168,023.23 kWh and avoided emissions rose to 130.05 tonnes of CO<sub>2</sub>, representing a further 1.8% increase from 2024. Across the three-year reporting period, XLHB's solar energy generation increased by 5.9%, with a 5.9% improvement in CO<sub>2</sub> emissions avoidance. This trend highlights the company's ongoing efforts to reduce reliance on grid electricity and enhance its contribution to renewable energy use.

## WATER USAGE

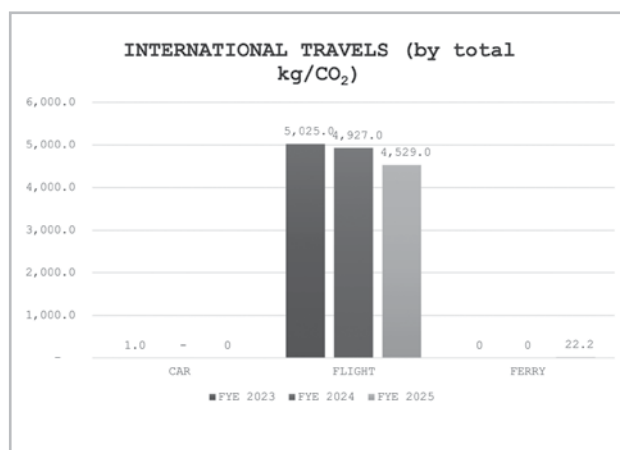
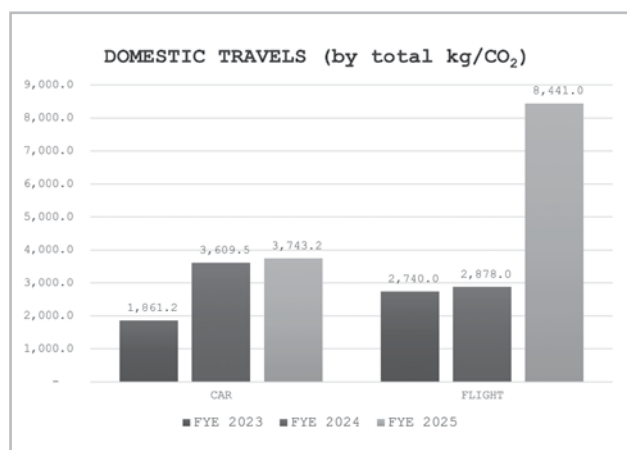
XLHB reports a steady increase in water consumption across its operations over the past three years. In 2023, total water usage was 11,685 cubic metres. This increased by 42.2% in 2024 to 16,620 cubic metres. In 2025, water consumption rose further to 19,196.2 cubic metres, representing a 15.5% increase from the previous year. Over the three-year period, water usage grew by 64.3%, reflecting expanded operational activities, particularly at aquaculture facilities where water is essential for breeding and maintaining aquatic life. XLHB continues to monitor and assess water efficiency measures to manage this upward trend responsibly.



**SCOPE 3****WASTE MANAGEMENT**

XLHB saw an upward trend in total waste directed to landfill disposal over the three-year period. In 2023, 155.68 kg of waste was sent to landfill, which rose to 265.32 kg in 2024 and further to 589.85 kg in 2025. The average annual increase of about 217 kg over the period reflects growing waste volumes alongside business expansion. XLHB remains committed to improving waste segregation, recycling efforts, and landfill diversion strategies to minimise its environmental footprint.

	FYE 2023	FYE 2024	FYE 2025
Total waste directed to disposal at landfill (in kg)	155.68	265.32	589.85

**BUSINESS TRAVELS**

Frequency of Business Travel						
	DOMESTIC TRAVELS			INTERNATIONAL TRAVELS		
	Car	Flight	Ferry	Car	Flight	Ferry
FYE 2023	70	8	0	1	10	0
FYE 2024	130	0	0	9	15	0
FYE 2025	152	37	0	0	15	1

XLHB monitors emissions from business travel by mode and destination to evaluate its environmental impact. In 2023, total travel-related emissions amounted to 9,627.2 kg of CO<sub>2</sub>. Most of these emissions came from air travel, with 2,740.0 kg from domestic flights and 5,025.0 kg from international flights. Car travel contributed 1,861.2 kg domestically and 1.0 kg internationally.

In 2024, emissions increased to 11,414.5 kg of CO<sub>2</sub>. Domestic flight emissions rose to 2,878.0 kg, and international flights decreased slightly to 4,927.0 kg. Car travel emissions also grew, with 3,609.5 kg recorded domestically and no reported international car usage.

In 2025, emissions rose significantly to 16,735.4 kg of CO<sub>2</sub>. The largest contributor was domestic air travel, which surged to 8,441.0 kg, while international flight emissions reached 4,529.0 kg. Domestic car travel emissions increased slightly to 3,743.2 kg, with no international car use reported. For the first time, ferry travel contributed to emissions, with 22.2 kg under international travel. From 2023 to 2025, total travel-related emissions increased by 73.8%.



## SUSTAINABILITY STATEMENT (CONT'D)

### EMPLOYEE COMMUTING

TOTAL DISTANCE TRAVELLED (IN KM)					
	LORRY	MOTORCYCLE	CAR	WALKING	TOTAL
FYE 2023	10,783.50	39,228.59	289,420.28	1,411.04	340,843.41
FYE 2024	11,435.00	72,154.82	326,270.79	2,297.76	412,158.37
FYE 2025	32,833.40	66,303.84	373,990.89	2,153.60	475,281.73
TOTAL CO <sub>2</sub> EMISSION					
	LORRY	MOTORCYCLE	CAR	WALKING	TOTAL
FYE 2023	5,255.12	4,459.11	47,743.78	0	57,458.01
FYE 2024	5,572.62	8,201.84	53,847.09	0	67,621.55
FYE 2025	16,000.70	7,536.76	61,823.35	0	85,360.81

In 2023, XLHB recorded a total commuting distance of 340,843.41 km. Car travel made up 84.9% of this total, motorcycle use accounted for 11.5%, lorry travel contributed 3.2%, and walking represented 0.4%.

In 2024, the total distance increased by 20.9% to 412,158.37 km. Car travel rose to 79.2% of the total, motorcycle share increased to 17.5%, lorry accounted for 2.8%, and walking represented 0.6%.

By 2025, total commuting distance grew by a further 15.3% to 475,281.73 km. Car usage comprised 78.7% of the total, motorcycle travel declined slightly to 13.9%, lorry increased to 6.9%, and walking remained stable at 0.5%.

These shifts reflect a continued high dependency on car travel and a notable increase in lorry use, while motorcycle use shows signs of decline as a commuting mode.

**Conversion rate for diesel and petrol is based on UK Government GHG Conversion Factors for Company Reporting by DEFRA.**

Employee commuting is based on assumption that employees travel the most direct route from their place of residence to their work site without any deviation. Calculation is also adjusted to incorporate public holidays and leave days while taking into account employee commencement dates and end dates.

### SOCIAL MATTERS

We are deeply committed to social responsibility, actively engaging with local communities to create meaningful and lasting impact. Through fair employment opportunities, we empower individuals by providing stable jobs that support livelihoods and foster economic growth. Our skills training programmes equip community members with valuable knowledge and expertise, enhancing employability and self-sufficiency. Additionally, we prioritise sustainable initiatives that strengthen food security, ensuring long-term resilience for both people and the environment.

By walking alongside communities as trusted partners, XLHB strives to build a more inclusive and prosperous future for all. Below are the subtopics that will be covered in social matters:

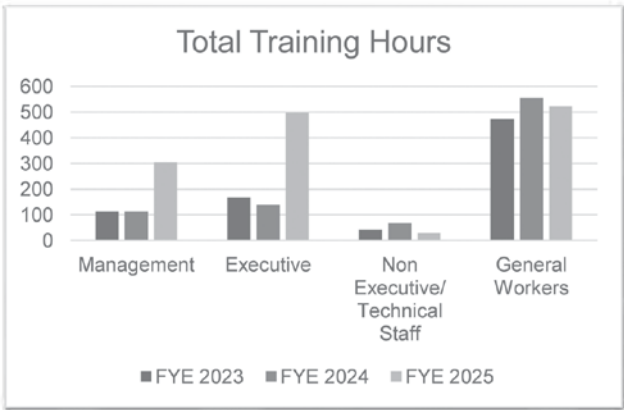




EMPLOYEE DEVELOPMENT

Employee development is a cornerstone of our organisational strategy, with a strong emphasis on structured training and continuous professional growth. We offer a robust range of learning programmes designed to enhance technical expertise, leadership capabilities and operational efficiency. Our training initiatives include hands-on workshops, industry recognised certifications and tailored development plans to ensure employees are equipped with the skills needed to thrive in their roles.

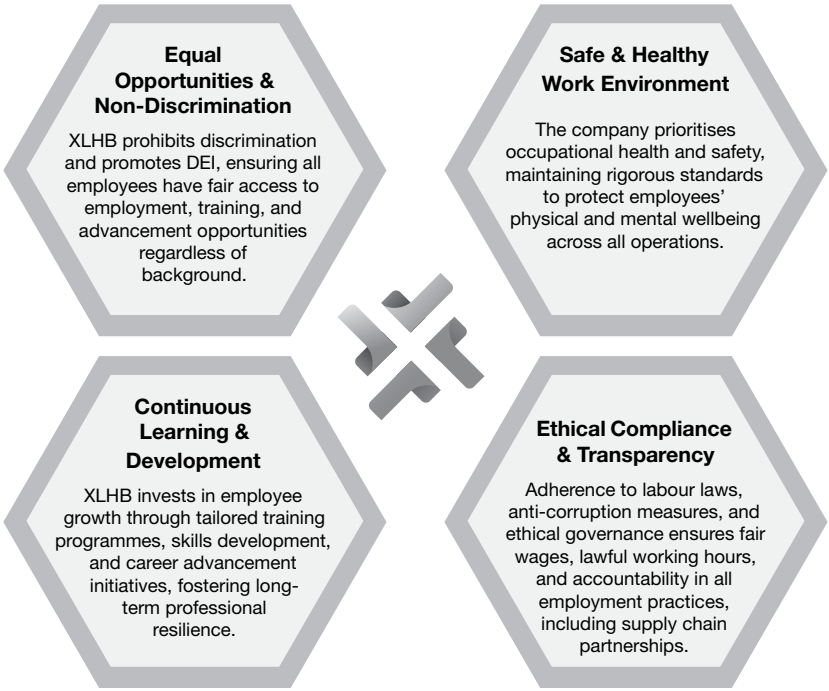
We prioritise upskilling our workforce to keep pace with evolving industry demands, fostering innovation and long term career progression. By investing in employee development, we not only strengthen individual potential but also drive collective success, ensuring XLHB remains a forward thinking and sustainable organisation. Our commitment to training reflects our dedication to cultivating talent and maintaining a high performing, motivated workforce.



EMPLOYEE CATEGORY	FYE 2023	FYE 2024	FYE 2025
Management	112.5	113.0	305.0
Executive	167.0	138.3	496.5
Non-Executive/ Technical Staff	42.0	67.0	29.0
General Workers	471.5	554.7	522.0

FAIR LABOUR PRACTICES

XLHB ensures compliance with labour laws and international standards, guaranteeing fair wages, non-discrimination, and equal opportunities for all employees. By investing in continuous learning and development programmes, the company empowers its workforce with skills and career growth opportunities, reinforcing its commitment to employee wellbeing and professional advancement.





## SUSTAINABILITY STATEMENT (CONT'D)

Fair Labour Practices	FYE 2023	FYE 2024	FYE 2025	Target
Number of substantiated complaints concerning human rights violations	0 Case	0 Case	0 Case	0 Case

XLHB maintains an exemplary record with zero cases of human rights violations, reflecting its steadfast commitment to ethical labour practices and social sustainability. The company rigorously upholds international human rights standards by enforcing policies that prohibit discrimination, forced labour, and unsafe working conditions, while promoting fair wages, diversity, and employee wellbeing. Through strict governance, regular audits, and stakeholder engagement, XLHB ensures full compliance across its operations, reinforcing its dedication to a responsible and inclusive workplace. This spotless record underscores XLHB's role as a leader in corporate integrity and sustainable business practices.

## HEALTH AND SAFETY

In alignment with Malaysia's Occupational Safety and Health Act 1994 and the recent amendments under OSHA 2022, XLHB continues to foster a proactive safety culture across all levels of the organisation.

During the FYE2025, XLHB demonstrated its commitment to workplace safety through several structured training programmes designed to raise awareness, enhance competency, and ensure compliance with national standards. Among these were the Occupational Safety and Health Coordinator (OSH-C) training, which prepared designated personnel to oversee safety measures at sites with five or more employees.

**XLHB HAS ZERO CASE OF  
WORK-RELATED FATALITIES &  
ZERO LOST TIME INCIDENT**

Health and Safety	Unit	FYE 2023	FYE 2024	FYE 2025
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0	0	0
Bursa C5(c) Number of employees trained on health and safety standards	Number	137	75	173

### Fire safety training

This training equipped participants with essential knowledge in hazard identification, risk assessment, and the implementation of workplace safety measures. In addition, the company hosted a Fire Safety Talk and Demonstration, which provided theoretical briefings and practical, hands-on sessions. Employees learned vital fire emergency responses, including how to properly operate fire extinguishers and follow evacuation procedures.



These initiatives reflect XLHB's dedication to not only meeting regulatory requirements but also fostering a resilient, safety-aware workforce. Looking ahead, the company remains committed to enhancing its safety framework and promoting a culture of responsibility and care, ensuring that everyone returns home safely at the end of each day.



## SUSTAINABILITY STATEMENT (CONT'D)

### DIVERSITY, EQUITY AND INCLUSION (DEI)

XLHB is committed to fostering a diverse and inclusive workplace, recognising that diversity drives innovation and business success. The company values employees from various backgrounds, including different genders, ethnicities, ages, and cultures, ensuring equal opportunities for growth and development. By promoting diversity in leadership and decision-making roles, XLHB strengthens its ability to meet the needs of a global market. Through inclusive policies, training programs, and a culture of respect, the company cultivates an environment where all employees feel valued and empowered. This dedication to diversity not only enhances workplace morale but also positions XLHB as a forward-thinking and socially responsible organisation.

### EMPLOYEE COMPOSITION

In FYE2025, XLHB had a total of 101 employees. The employee composition reflects a balanced structure with a mix of executive and non-executive/technical staff roles, ensuring effective governance and operational efficiency. The workforce is distributed across various departments, including management, finance, operations, and technical teams, contributing to the company's diversified business activities. XLHB maintains a commitment to equal opportunity employment, with a focus on merit-based recruitment and career progression.



### EMPLOYEE CATEGORY

XLHB maintains a structured workforce comprising four key employee categories: management, executive, non-executive/technical staff, and general workers. The management team oversees strategic decision-making and corporate governance, while executives handle day-to-day operational functions and implementation of business strategies. General workers form the operational backbone across various business units. This clear categorisation enables effective organisational hierarchy, streamlined operations, and proper delineation of roles and responsibilities throughout the company. The balanced composition across these categories supports XLHB's operational efficiency while maintaining strong corporate governance standards across all levels of the organisation.



## EMPLOYEE GENDER AND AGE

This analysis examines XLHB's employee composition across gender and age demographics from FYE2023 to FYE2025, focusing on four employee categories: management, executive, non-executive/technical staff, and general workers. The data reveals important trends in organisational diversity.

The gender distribution presents both progress and persistent in XLHB:

Category	Metric	FYE 2023		FYE 2024		FYE 2025	
		No.	%	No.	%	No.	%
Management	Male	12	66.7%	12	70.6%	7	58.3%
	Female	6	33.3%	5	29.4%	5	41.7%
Executive	Male	4	19.0%	4	18.2%	4	18.2%
	Female	17	81.0%	18	81.8%	18	81.8%
Non-Executive/ Technical Staff	Male	10	100.0%	12	100.0%	11	100.0%
	Female	0	0.0%	0	0.0%	0	0.0%
General Worker	Male	35	92.1%	49	89.1%	56	100.0%
	Female	3	7.9%	6	10.9%	0	0.0%

Age distribution also varies across employee categories:

Category	Metric	FYE 2023		FYE 2024		FYE 2025	
		No.	%	No.	%	No.	%
Management	Below 30	0	0.0%	0	0.0%	0	0.0%
	30–50	15	83.3%	14	82.4%	9	75.0%
	Above 50	3	16.7%	3	17.6%	3	25.0%
Executive	Below 30	8	38.1%	7	31.8%	5	22.7%
	30–50	13	61.9%	14	63.6%	16	72.7%
	Above 50	0	0.0%	1	4.6%	1	4.6%
Non-Executive/ Technical Staff	Below 30	2	20.0%	1	8.3%	1	9.0%
	30–50	3	30.0%	6	50.0%	5	45.5%
	Above 50	5	50.0%	5	41.7%	5	45.5%
General Worker	Below 30	18	47.4%	27	49.1%	21	37.5%
	30–50	17	44.7%	24	43.6%	34	60.7%
	Above 50	3	7.9%	4	7.3%	1	1.8%

Non-Executive/Technical Staff roles remained entirely male (100%) across all years, while General Workers shifted from 92.1% male in FYE 2023 to exclusively male (100%) by FYE 2025. Age-wise, Management remained predominantly composed of employees aged 30–50 (75.0%), Executives showed an aging trend in this same group (rising from 61.9% to 72.7% by FYE 2025), and General Workers experienced a notable decline in employees above 50 (from 7.9% to 1.8%), reflecting a younger workforce over time.



## SUSTAINABILITY STATEMENT (CONT'D)

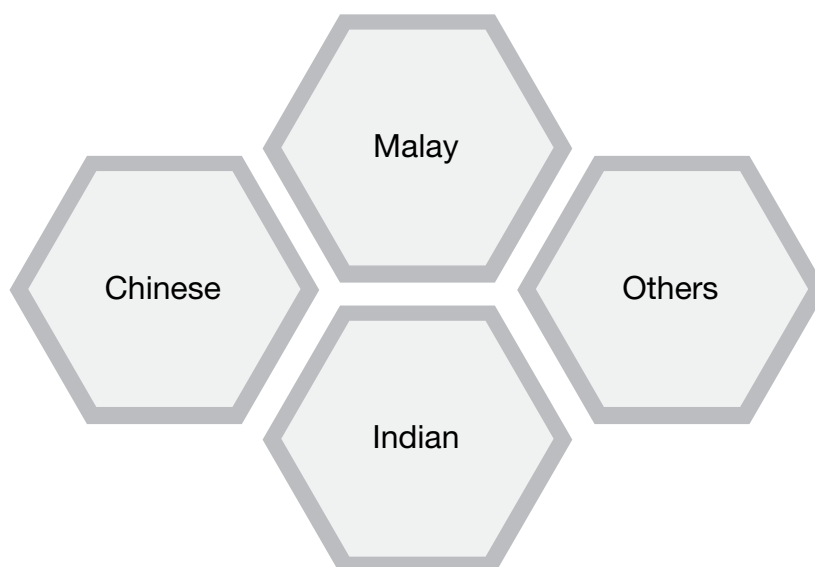
### BOARD OF DIRECTORS DIVERSITY

The Board of Directors demonstrated stable leadership continuity from FYE2023 to FYE2025, with experienced members guiding organisational strategy. The board maintained strong representation of seasoned professionals, with 37.5%-42.9% of seats held by highly experienced directors above 50. We celebrate the consistent presence of female leadership (12.5%-14.3% representation), with women contributing valuable perspectives in the 30-50 age group each year. The board's strategic resizing to 7 members reflects focused optimisation of governance structures, while maintaining balanced age distribution with all directors bringing substantial professional experience (30+ years). This evolution presents exciting opportunities to build on current foundations by welcoming more women into senior roles, introducing emerging young talent, and continuing to strengthen the board's strategic capabilities.

Year	Age Group	Male		Female		Total
		No.	%	No.	%	No.
FYE2023	Below 30	0	0%	0	0%	0
	30-50	4	50.0%	1	12.5%	5
	Above 50	3	37.5%	0	0%	3
	<b>Total</b>	<b>7</b>	<b>87.5%</b>	<b>1</b>	<b>12.5%</b>	<b>8</b>
FYE2024	Below 30	0	0%	0	0%	0
	30-50	3	42.9%	1	14.3%	4
	Above 50	3	42.9%	0	0%	3
	<b>Total</b>	<b>6</b>	<b>85.7%</b>	<b>1</b>	<b>14.3%</b>	<b>7</b>
FYE2025	Below 30	0	0%	0	0%	0
	30-50	3	42.9%	1	14.3%	4
	Above 50	3	42.9%	0	0%	3
	<b>Total</b>	<b>6</b>	<b>85.7%</b>	<b>1</b>	<b>14.3%</b>	<b>7</b>

### RACE AND ETHNICITY IN XLHB

At XLHB, we take great pride in our diverse workforce that reflects the multicultural communities we serve. Our employees bring a wide range of perspectives, experiences and talents that drive innovation and strengthen our organisation.





## SUSTAINABILITY STATEMENT (CONT'D)

Race and Ethnicity	FYE 2023	FYE 2024	FYE 2025
	%	%	%
<b>Malay</b>	14.9%	25.5%	20.8%
<b>Chinese</b>	55.3%	45.3%	36.6%
<b>Indian</b>	1.1%	0.9%	0%
<b>Others</b>	28.7%	28.3%	42.6%
<b>Total</b>	100%	100%	100%

Chinese representation decreased from 55.3% to 36.6%, while Malay employees grew from 14.9% to 20.8%. The “Others” category expanded significantly from 28.7% to 42.6%, showing increased inclusivity, though Indian representation dropped to 0%. These shifts reflect positive diversification, with opportunities to enhance balanced representation across all groups.

### EMPLOYEE TURNOVER AND NEW HIRES

Employee turnover and new hire patterns offer valuable insights into workforce stability and organisational health at XLHB. These metrics help us understand how effectively the company attracts and retains talent across all levels of its operations.

Category	Metric	FYE2023	FYE2024	FYE2025
		%	%	%
<b>Management</b>	Turnover	0	5.9	41.7
	New Hires	11.1	0	0
<b>Executive</b>	Turnover	14.3	13.6	31.8
	New Hires	47.6	13.6	18.2
<b>Non-Executive/ Technical Staff</b>	Turnover	10.0	0	27.3
	New Hires	0	16.7	18.2
<b>General Worker</b>	Turnover	21.1	23.6	62.5
	New Hires	68.4	56.4	69.6

Our workforce analysis highlights successful growth while identifying talent development opportunities. These insights will shape strategies to build a more resilient organisation aligned with XLHB’s objectives. We will implement targeted initiatives addressing both current needs and future goals, ensuring sustainable growth while supporting employee development. This balanced approach will strengthen our capabilities and drive long-term success.



## SUSTAINABILITY STATEMENT (CONT'D)



### CORPORATE SOCIAL RESPONSIBILITY BY XLHB

XLHB has reaffirmed its commitment to sustainable community development through donations totalling RM 7,163.85 in FYE2025. These contributions demonstrate a holistic approach to social responsibility, addressing infrastructure, healthcare, disaster relief, and mental welfare.

- Road Infrastructure Improvements in Kampung Pakalangan, Sabah.**

On 31 December 2024, XLHB implemented two key infrastructure projects in Kampung Pakalangan. The company partnered with Peak Development Sdn Bhd to provide 54 tons of road repair materials worth RM 1,303.85, improving accessibility for over 200 villagers and supporting local commerce.

On the same day, XLHB collaborated with Forward Jaya Constructions Sdn Bhd to supply heavy equipment including a backhoe loader and roller compactor valued at RM 1,960 in rental costs. This enabled efficient completion of 5 kilometres of road repairs with professional quality compaction.

These combined initiatives totalling RM 3,263.85 demonstrated XLHB's approach to community development through infrastructure improvement and local business support. The projects enhanced transportation safety while creating lasting economic benefits through better road connectivity. By working with regional contractors, XLHB strengthened local technical capacity while addressing critical infrastructure needs.

The successful rehabilitation delivered immediate benefits to residents and positioned Kampung Pakalangan for sustainable growth, reflecting XLHB's commitment to impactful corporate social responsibility initiatives that create shared value for communities and businesses alike.

- Wheelchair Donation to Hospital Sultanah Nora Ismail, Johor.**

On 25 April 2025, XLHB contributed 10 wheelchairs worth RM 2,100 to Hospital Sultanah Nora Ismail. This donation directly addressed mobility challenges for patients at the public healthcare facility, improving their access to medical services and daily comfort. The wheelchairs enhanced patient care quality while supporting the hospital's mission to provide inclusive healthcare solutions. This initiative reflected XLHB's commitment to social responsibility through targeted healthcare support, creating meaningful impact for vulnerable groups.

XLHB also demonstrated its commitment to diverse community needs through impactful initiatives in FYE2025, including a RM 300 contribution to Pertubuhan Kebajikan Mental Selangor on 20 January 2025, supporting counselling services for over 50 mental health beneficiaries, and providing RM 1,500 in flood relief aid through MERCY Humanitarian Fund on 13 December 2024, which assisted 30 families affected by monsoon floods, showcasing the company's holistic approach to addressing both immediate disaster response and ongoing mental health support as part of its comprehensive corporate social responsibility program.



- **Aquarium-visit-programme and internship training.**

XLHB enthusiastically participates in aquarium visit programmes organised by various educational institutions, with most participants being kindergarten children aged. These visits are structured to provide an engaging and age-appropriate educational experience, fostering early curiosity and appreciation for freshwater aquatic life. This session not only introduce the children to different types of fish and basic aquarium care, but also awareness of the importance of caring for living beings and the environment.

XLHB also offers internship training to several local institutions. This internship programme serves as an educational platform, providing students with hands-on experience and on-the-job training. Through this initiative, students gain valuable practical exposure. Additionally, the program helps them kick-start in their careers, as suitable trainees are offered job opportunities after completing their tertiary education.





## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2025
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	55.00
Non-executive/Technical Staff	Percentage	0.00
General Workers	Percentage	13.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	7,163.85
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	4
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	75.00
Management Above 50	Percentage	25.00
Executive Under 30	Percentage	22.70
Executive Between 30-50	Percentage	72.70
Executive Above 50	Percentage	4.60
Non-executive/Technical Staff Under 30	Percentage	9.00
Non-executive/Technical Staff Between 30-50	Percentage	45.50
Non-executive/Technical Staff Above 50	Percentage	45.50
General Workers Under 30	Percentage	37.50
General Workers Between 30-50	Percentage	60.70
General Workers Above 50	Percentage	1.80
Gender Group by Employee Category		
Management Male	Percentage	58.30
Management Female	Percentage	41.70
Executive Male	Percentage	18.20
Executive Female	Percentage	81.80
Non-executive/Technical Staff Male	Percentage	100.00
Non-executive/Technical Staff Female	Percentage	0.00
General Workers Male	Percentage	100.00
General Workers Female	Percentage	0.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	85.70
Female	Percentage	14.30
Under 30	Percentage	0.00
Between 30-50	Percentage	57.10
Above 50	Percentage	42.90
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	1,321.61
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	173

## SUSTAINABILITY STATEMENT (CONT'D)

Indicator	Measurement Unit	2025
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	305
Executive	Hours	497
Non-executive/Technical Staff	Hours	29
General Workers	Hours	522
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	22.90
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	5
Executive	Number	7
Non-executive/Technical Staff	Number	3
General Workers	Number	35
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	92.73
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	19.196000
<b>Bursa (Waste management)</b>		
Bursa C10(a) Total waste generated	Metric tonnes	0.59
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	0.59
<b>Bursa (Emissions management)</b>		
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	498.55
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	1,021.18
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	102.10



# STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors (“Board”) presents this Statement to provide shareholders and investors with an overview of the application of the Principles set out in the Malaysian Code on Corporate Governance (“CG”) (“MCCG”) by XL Holdings Berhad (“XLHB” or the “Company”) and its subsidiaries (the “Group”).

The Board recognises the importance of practicing good corporate governance and is committed to maintaining high standards of corporate governance to ensure the sustainability of the company’s business and operations.

This Statement outlines the corporate governance practices that were in place during the financial year, which comply with the principles and recommendations of the MCCG and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and it is to be read together with the Corporate Governance Report (“CG Report”) which is available on XLHB’s website at [www.xlhb.com.my](http://www.xlhb.com.my).

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### A. Board Responsibilities and Composition

#### a. Board Responsibilities

The Board are responsible for overseeing the management of the Company and ensuring that it operates in best interest of its stakeholders. It plays a critical role in ensuring that sound and prudent policies and practices are in place and performs the oversight role on the management of the Company’s business towards achieving its long-term goals.

The Board is led and managed by an experienced and dynamic team who is responsible for the stewardship of the business and directions for the management of the company.

The Board is made up of seven (7) members, consisting of

1. One (1) Executive Chairman
2. Two (2) Executive Directors, one of which is the Chief Executive Officer
3. Three (3) Independent Non-executive Directors, one of which is the Senior Independent Non-Executive Director
4. One (1) Non-Independent Non-Executive Director who is a female director.

A brief description on the profile of each of the Directors are presented on pages 5 to 11 of this Annual Report, with announcement notices of their appointment published on the Group’s website accordingly.

The Board has an effective working partnership with the Management in establishing the strategic direction and implementation of its goals. There is a clear segregation of responsibilities between the Chairman and the Executive Directors to ensure that there is a balance of power and authority.

The Chairman of the Board provides overall leadership to the Board in decision-making and ensures effective conduct and performance of the Board in driving the focus on governance and compliance.

Non-Executive Directors play a key supporting role in contributing their knowledge and experience in the decision-making process including providing scrutiny towards weak internal controls and performance by the management, if any.

The Executive Chairman, Chief Executive Officer, Executive Director and the Senior Management are responsible for the day-to-day management of the Group’s business operations and execution of the Board’s policies and decisions.

The Board has conducted an assessment of independence of the Independent Non-Executive Directors and have determined that the three (3) Independent Non-Executive Directors remain objective and independent.

## STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### A. Board Responsibilities and Composition (Cont'd)

##### a. Board Responsibilities (Cont'd)

In alignment with Practice 9.5, Principal B of the MCCG, the Board appointed an independent non-executive director with a robust accounting background. He is also a chartered accountant and a member of the Malaysian Institute of Accountants ("MIA"). This strategic appointment underscores our commitment to maintaining a high standard of financial integrity and oversight, enhancing the Board's collective expertise in financial management and governance.

The Board understands the requirements of the MCCG that the board must comprise at least 30% women directors. Currently, we have one woman director out of seven directors. In order to make the Company has good practice in corporate governance, the Board will review and consider the appointment of more female Director, taking into consideration the combination of skills, experience and diversity necessary to strengthen the composition of the Board.

The seven (7) members of the Board are persons of high integrity and are responsible for overall governance of the Group by ensuring that the Group's internal control, risk management and reporting procedures are well in place. The current size and composition of the Board are considered adequate to provide mix of skills, experience and expertise. Furthermore, the Board is of the view that with the current Board size, the power and authority of Executive Directors and Independent Directors are balanced. The Board will continue to monitor and review the Board size and composition as and when necessary.

##### b. Board Meetings

The Board meets at least once every quarter and additional meetings are convened as and when necessary. Five (5) Board Meetings were held during the financial year ended ("FYE") 30 April 2025 and the attendance for each Director is as follows: -

DIRECTORS	NUMBER OF MEETING ATTENDED	PERCENTAGE (%)
Ng Min Lin	5/5	100
Kuan Kai Seng	5/5	100
Dato' Ng Jet Heong	5/5	100
Jason Fong Jian Sheng	5/5	100
Rithauddin Hussein Jamalattiff bin Jamaluddin	5/5	100
Ng Fun Kim (Appointed on 12 July 2024)	4/4	100
Wong Jo Ann	5/5	100

##### c. Time Commitment

All Directors had confirmed that they were not holding directorship more than five (5) public listed companies as prescribed in Paragraph 15.06 of Bursa Securities' Main Market Listing Requirement.

##### d. Supply of information

The Directors have full and unrestricted access to all information and can also seek independent professional advice whenever such services are deemed necessary to assist them in carrying out their duties. All Directors are provided with the agenda together with the Board papers prior to the Board Meetings to allow sufficient time for the Directors to review, consider and deliberate knowledgeably on the issues and to obtain further information and explanations to facilitate informed decision making. All Directors also have access to the advice and services of the Company Secretary.



## STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### A. Board Responsibilities and Composition (Cont'd)

##### e. Re-election

All Directors are required to submit themselves for re-election every three (3) years. Full information is disclosed through the notice of meeting regarding Directors who are retiring and who are willing to serve if re-elected.

##### f. Induction to Board Members and Members

All new Directors are required to undergo an orientation program to provide them with the necessary information to enable them to contribute effectively from the date of their appointment. This includes internal briefings on the Group's operations and financial performance and site visits to the fish farms and offices. All Directors have attended the Mandatory Accreditation Programme as required under the Main Market Listing Requirements of Bursa Securities and they have also attended external training courses and programmes during the financial year 2025.

##### g. Board Charter

The Board has adopted a Board Charter to promote the standards of Corporate Governance and defines among others the roles and responsibilities of the Board. The Board Charter is subject to review by the Board periodically to ensure that it remains consistent with the Board's objectives and responsibilities. The Board Charter is also available on the Company's website at [www.xlhb.com.my](http://www.xlhb.com.my).

##### h. Board Committee

The Board has a number of standing committees, all of which have written Terms of Reference clearly setting out their authority and duties, namely the Audit Committee, the Risk Management Committee, the Nomination Committee, and the Remuneration Committee. All Board Committees report to the Board. The Terms of Reference of the relevant Board Committees are also available on the Company's website at [www.xlhb.com.my](http://www.xlhb.com.my).

##### i) Nomination Committee

The Committee's key function is to make recommendations on all new appointments to the Board and membership of Board Committees. The formal role of the Nomination Committee ("NC") is set out in its term of reference of XLHB Board Charter, which are available on the Company's website at [www.xlhb.com.my](http://www.xlhb.com.my).

The NC held one (1) meeting during the FYE 30 April 2025. The principal activities undertaken by the NC are summarised as follows:-

- reviewed and assessed the composition of the Board as a whole and individually on the skills and experiences of the Directors including core competencies and effectiveness of the Board as a whole, the board committee, each individual director, key management positions as well as the company secretary.
- continue to identify the training needs of the individual director. Directors are encouraged to attend at least one training in each financial year. During this financial year, the directors have attended various training programmes which are outlined in the CG Statement.
- assessed and made a recommendation to the Board on re-election of those Directors subject to re-election in accordance with the Company Constitution; for re-election at the forthcoming Annual General Meeting ("AGM").
- carried out an assessment on the independence of the Independent Directors.



**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****A. Board Responsibilities and Composition (Cont'd)****h. Board Committee (Cont'd)****ii) Remuneration Committee**

The Remuneration Committee ("RC") is responsible to develop a remuneration policy which will enable the Company to attract and retain Directors with the relevant experience and expertise needed to run the Group successfully. The formal role of the RC is set out in its term of reference of XLHB Board Charter, which are available on the Company's website at [www.xlhb.com.my](http://www.xlhb.com.my).

The RC held one (1) meeting during the FYE 30 April 2025. The principal activities undertaken by the RC are summarised as follows:-

- carried out an annual review for assessing the remuneration policy to enable the company to attract and retain directors with the relevant experience and expertise needed to run the Group's operations successfully.
- reviewed and recommended the remuneration of Executive Directors and key management personnel for the Board's approval.
- reviewed and recommended the Directors' fee, to be determined by the Board with the approval from shareholders at the AGM.

**iii) Audit Committee**

The composition and the summary of the activities of the Audit Committee together with its report are presented on pages 54 to 55 of this Annual Report.

**iv) Risk Management Committee**

For details of the Risk Management Committee, please refer to the pages 52, 56 to 59 of this Annual Report.



## STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### A. Board Responsibilities and Composition (Cont'd)

##### i. Directors' Training

Directors' training is an ongoing process as the Directors recognise the need to continually develop and to update themselves on current developments of the industry as well as the new statutory and regulatory requirements in order to discharge their duties effectively.

During the FYE 30 April 2025, the Directors have attended the following training programs:-

DIRECTORS	SEMINARS AND BRIEFINGS ATTENDED	DATE OF TRAINING
Ng Min Lin	• Mandatory Accreditation Programme II	04 & 05 September 2024
	• Anti-Bribery and Anti-Corruption Training	23 April 2025
Kuan Kai Seng	• Introduction to ESG and TCFD and ESG Metrics and Reporting	04 April 2025
	• Anti-Bribery and Anti-Corruption Training	23 April 2025
Dato' Ng Jet Heong	• Mandatory Accreditation Programme II	06 & 07 August 2024
	• Anti-Bribery and Anti-Corruption Training	23 April 2025
Jason Fong Jian Sheng	• Mandatory Accreditation Programme II	27 & 28 November 2024
	• MIA Webinar Series- Strategic Planning Theories, Tools and Practice for Businesses	3 December 2024
	• Anti-Bribery and Anti-Corruption Training	23 April 2025
Rithauddin Hussein bin Jamaluddin	• Mandatory Accreditation Programme II	22 & 23 July 2024
	• Anti-Bribery and Anti-Corruption Training	23 April 2025
Ng Fun Kim	• Tax and Law Relating to Property Transactions, Capital Gains Tax, Estate and Trusts	9 September 2024
	• Anti-Bribery and Anti-Corruption Training	23 April 2025
Wong Jo Ann	• Mandatory Accreditation Programme II	21 & 22 August 2024
	• Anti-Bribery and Anti-Corruption Training	23 April 2025

##### j. Remuneration

The Board (via the RC) will ensure that Group's level of remuneration commensurate with the skills and responsibilities expected of Director's as well as key senior management. It must be sufficient to attract and retain talent needed for successfully performance of the Group.

The RC's recommended remuneration for Directors and key senior management are subject to the Board's approval. Each individual Director is required to abstain from discussing his own remuneration.

The fees and allowances of all Non-Executive Directors are endorsed by the Board and presented at the AGM for shareholder's approval.

STATEMENT OF CORPORATE GOVERNANCE  
(CONT'D)**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****A. Board Responsibilities and Composition (Cont'd)****j. Remuneration (Cont'd)**

The breakdown of the total remuneration paid or payable or otherwise made available to all Directors of the Company and the Group who served during the financial year is as follows:

Name of Directors	Fees RM	Salaries & Bonus RM	Other Emoluments RM	Allowance & Benefits RM	LTIP RM	Total RM
Ng Min Lin	–	480,000	64,345	6,000	1,463,000	2,013,345
Kuan Kai Seng	–	266,750	38,607	4,682	–	310,039
Dato' Ng Jet Heong	–	278,000	38,062	4,370	–	320,432
Jason Fong Jian Sheng	48,000	–	–	6,000	146,000	200,000
Rithauddin Hussein Jamalatiff bin Jamaluddin	42,000	–	–	5,000	–	47,000
Ng Fun Kim	43,403	–	–	4,167	–	47,570
Wong Jo Ann	42,000	–	–	3,000	–	45,000

The key management of the Company who served during the financial year is listed out in the profile of key managements appearing on page 12 to 13 of the Annual Report and their total remuneration fall within the following bands:

Range of remuneration (RM)	Key Management
0 – 50,000	1
50,001 – 100,000	2
100,001 – 150,000	–
150,001 – 200,000	–

**k. Corporate Disclosure Policy**

The Board is aware of the importance of timely and accurate material disclosure to the public and in compliance with Main Market Listing Requirements of Bursa Securities. This is to avoid confusion to the market and undermine the principle of orderly and fair market if the disclosures are incomplete or inaccurate.

The Board had delegated the authority to the Executive Chairman to approve all the announcements for release to Bursa Securities.

**l. Code Of Conduct**

The Company has in place a Code of Conduct Policy and procedure. The Code of Conduct Policy and procedure are also available on the Company's website at [www.xlhb.com.my](http://www.xlhb.com.my).

**m. Anti-Bribery And Anti-Corruption**

In line with the Bursa Securities' new Anti-Corruption Amendments, as well as the Corporate Liability Provisions pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act") which takes effect from 1 June 2020, the Company has developed an Anti-bribery and Anti-Corruption Policy which is available on the Company's website at [www.xlhb.com.my](http://www.xlhb.com.my).



## STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### A. Board Responsibilities and Composition (Cont'd)

##### n. Whistle Blowing

The Company has in place a Whistle Blowing Policy and procedure. A full Whistle Blowing Policy enumerating its objective and reporting procedure are available on the Company's website at [www.xlhb.com.my](http://www.xlhb.com.my).

##### o. Strategies Promoting Sustainability

The Group is committed to build a sustainable business by taking into consideration the impact on the environment, social and governance aspect of business operations. Further details are set out in the Sustainability Statement of the Company on the Annual Report.

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### a. Audit Committee

The Audit Committee ("AC") is responsible to assist the Board of Directors in discharging its responsibilities relating to accounting and reporting practices of the Group; provides independent review of the Company's financial results and internal control system to ensure compliance with the statutory and accounting policy requirements.

Further details on the composition and summary of activities of the AC together with its report are presented on pages 54 to 55 of the Annual Report.

#### b. Risk Management and Internal Controls

The Board acknowledges its overall responsibilities for maintaining a sound system of risk management and internal control and has delegated its role in the review process to the Risk Management Committee ("RMC").

The primary objective of the RMC is to assist the Board of Directors to fulfill its responsibilities with regard to risk management in order to manage overall risk exposure for XLHB. The RMC is also responsible to determine that there is a robust process in place for identifying, assessing and monitoring key business risks to safeguard shareholders' investment and the Company's assets. The formal role of the RMC is set out in its term of reference of XLHB Board Charter, which are available on the Company's website at [www.xlhb.com.my](http://www.xlhb.com.my).

The Group's internal audit ("IA") function was outsourced to a professional IA services company who reports to the AC. The cost incurred for the IA & Enterprise Risk Management functions in respect of the FYE 30 April 2025 was approximately RM41,000.00.

The Statement on Risk Management and Internal Control set out on pages 56 to 59 of the Annual Report provides an overview of the state of internal controls within the Group.

#### c. Relation with the External Auditors

The Board, through the AC, maintains a formal and transparent relationship with the External Auditors in seeking their professional advice and ensuring compliance with the applicable accounting standards. The AC reviews and monitors the suitability and independence of external auditors.

The external auditor is required to rotate the engagement partner responsible for audit of the financial statements of the Group every five years.

The key features underlying the relationship of the AC with the External Auditors are included in the AC Report as detailed in the Annual Report.

## STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

#### d. Financial Reporting

In presenting the annual audited financial statements and quarterly announcement of the Group's results, the Board aim to present a fair assessment of the Company's position and prospects. The annual audited financial statements and quarterly results are reviewed by the AC and recommended to the Board for approval before releasing to the public via Bursa Link.

The details of the audited financial statements of the Group and the Company are set out on pages 63 to 171 of the Annual Report.

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH SHAREHOLDERS

#### a. Relationship Between Company And Shareholders

The Board recognises the importance of good communication with all shareholders and endeavors to provide timely and accurate disclosure of all material information of the Group to the shareholders and investors. Shareholders and investors are kept informed of all major developments within the Group by way of announcements via Bursa Link, the Company's Annual Reports, website and other circulars to shareholders with an overview of the XLHB's financial and operational performance.

Notice of AGM and Annual Report is sent out to shareholders at least 21 days before the date of the meeting. In the case of the re-election of Directors, the Board will ensure that full information is disclosed through the notice of meeting regarding Directors who are retiring and who are willing to serve if re-elected.

#### b. Conduct Of General Meeting

The AGM of the Company represents the principal forum for dialogue and interaction with all shareholders. Shareholders are notified of the meeting and provided with a copy of the Company's Annual Report before the meeting. The Board encourages shareholders to participate in the question-and-answer session. Members of the Board as well as Auditors of the Company are present in the AGM to answer and provide explanations on queries raised during the meetings.

Each item of special business included in the notice of the meeting will be accompanied by an explanatory statement for the proposed resolution to facilitate full understanding and evaluation of the issues involved.

In line with the best practice of CG, shareholders were notified of their rights to demand poll voting. As mandated by Bursa Securities, voting at the General Meetings of the Company is by way of poll voting.

### DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF THE PREPARATION OF THE AUDITED FINANCIAL STATEMENTS

The Board is responsible for ensuring that the financial statements of the Group and the Company are drawn up in accordance with applicable approved accounting standards in Malaysia, the provisions of the Companies Act, 2016 and the Listing Requirements of Bursa Securities so as to give a true and fair view of the state of affairs of the Group and of the Company for the financial year.

In the preparation of the financial statements for the year ended 30 April 2025, the Board is also responsible for the adoption of appropriate accounting policies and has applied them consistently in the financial statement with reasonable and prudent judgements and estimates. The Board is also satisfied that all relevant approved accounting standards have been adopted in the preparation of the financial statements.

The Directors also have a general responsibility for taking such reasonable steps to preserve the assets of the Group and the Company and to prevent and detect fraud and other irregularities.

This Statement is made in accordance with the resolution of the Board dated 21 August 2025.



## AUDIT COMMITTEE REPORT

The formal role of the Audit Committee (“AC”) is set out in its term of reference of XL Holdings Berhad’s (“XLHB”) Board Charter, which is available on the Company’s website at [www.xlhb.com.my](http://www.xlhb.com.my).

### A. MEMBERS AND MEETINGS ATTENDANCES

The AC comprises the following members and five (5) AC Meetings were held for the financial year ended (“FYE”) 30 April 2025. The meetings are pre-scheduled and normally are timed just before the Board of Director’s meetings. Notices with agenda and AC papers are circulated to the members with prior to the meetings with sufficient time. The record of attendance of each member at the AC Meetings are as follows: -

Composition of AC	Number of meetings attended	Percentage (%)
Ng Fun Kim (Chairman/ Independent Non-Executive Director) (Appointed on 12 July 2024)	4/4	100%
Jason Fong Jian Sheng (Member/ Senior Independent Non-Executive Director)	5/5	100%
Rithauddin Hussein Jamalattiff bin Jamaluddin (Member/ Independent Non-Executive Director)	5/5	100%

The Company Secretary shall be the secretary of the AC. She provide the necessary administration and secretarial services for the effective functioning of the AC. The minutes of the meeting are approved by AC Chairman, circulated to the Committee and noted by the Board.

### B. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

During the FYE 30 April 2025, the AC held a total of five (5) meetings. The principal activities undertaken by the AC are summarised as follows: -

#### Financial Reporting

- Reviewed the unaudited quarterly financial result of the Group including the announcement before recommending to the Board for approval and release the results to Bursa Malaysia Securities Berhad (“Bursa Securities”).
- Reviewed the Draft Audited Financial Statement of the Group and the company for the FYE 30 April 2024 and recommended the same for the Board’s approval.
- Identified new financial reporting standards and other standards that were discussed and which were discussed and which may have had a significant impact on listed issuer’s financial statements.
- Reviewed on matters relating to management judgements and estimates.
- Identified the processes and controls that were in place for effective and efficient financial reporting and disclosures under financial reporting standards.

**B. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR (CONT'D)****External Audit**

- (a) Reviewed and discussed with External Auditors of the audit findings for FYE 30 April 2025 highlighted by the external auditor.
- (b) Reviewed the audit plan for FYE 30 April 2025 prepared by External Auditor, outlining the audit scope, methodology and timetable, materiality level, the areas of audit emphasis.
- (c) Discussed and reviewed with External Auditors, the applicability and the impact of the new and revised accounting standard.
- (d) Reviewed the proposed audit fees for FYE 30 April 2025.
- (e) The AC has three (3) private section with external auditor without the presence of Company Management staff and Executive Board members.
- (f) Reviewed the suitability and independence of the external auditor prior the recommendation for appointment of the external auditor.

**Internal Audit**

- (a) During the FYE 30 April 2025 under review, the Internal Audit Function is outsourced to an independent professional Internal Audit Firm namely, Eco Asia Governance Advisory Sdn. Bhd. ("Eco Asia"). The total cost incurred by the Group for the internal audit functions was approximately RM 41,000.00.
- (b) The internal auditor attended two (2) AC meetings in FYE 30 April 2025.
- (c) Reviewed and assessed the adequacy of the scope and functions of the internal audit plans.
- (d) Reviewed the internal audit reports and assessed the findings, recommendations and management response. The following identified business processes/ areas were covered by the Internal Auditors: -
  - i. Production Output
  - ii. Supply Chain Management
- (e) Reviewed the progress updates on the follow up review of the previous internal audit report.

**Others**

- (a) Reviewed on a quarterly basis, related party transactions entered into by the Group and potential conflict of interest situations to ensure that the said transactions were conducted at arm's length and on normal commercial terms.
- (b) Evaluate the competency and independence of the internal auditors and their resources to carry out the audit plan.





# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## A. INTRODUCTION

This Statement on Risk Management and Internal Control which has been prepared in accordance with the Statement on Risk Management and Internal Control (Guidelines for Directors of Listed Issuers) ("Guidelines") is made pursuant to Rule 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

## B. RESPONSIBILITIES

The Board recognises its overall responsibilities towards maintaining a sound system of internal control and risk management, and reviewing its adequacy and effectiveness to ensure shareholders' interest and the Group's assets are safeguarded. The Group's system of internal control includes operational and compliance controls. The system is designed to identify and manage rather than eliminate the risk of failure to achieve business objectives. The system serves to provide reasonable but not absolute assurance against the risk of material misstatement or loss.

## C. KEY FEATURES OF INTERNAL CONTROL SYSTEM

The key elements of the Group's existing system of internal controls are described below:

- A clearly defined organisational structure with the lines of responsibility and delegated authority to the management and operating units.
- Written communication of company values, expected code of conduct and discipline to which employees have acknowledged at the time of employment.
- Proper procedures for approval and authority limit for controlling and approval capital expenditure and expenses.
- The Board continuously assesses key business risks with the assistance of Risk Management Committee.
- Management accounts are prepared regularly by each operating company. Effective reporting system to ensure timely generation of financial information for management review.
- Directors and Head of Departments meet regularly to discuss operational, corporate, financial and key management issues.
- Regular training and development programs are attended by employees to enhance their knowledge and competency.
- The Board and the Audit Committee meet every quarter to discuss financial performances, business operations and strategies, corporate updates and internal audits findings.
- The Board has outsourced its internal audit function to an independent professional service firm. The internal audit provides an assessment of the adequacy, efficiency and effectiveness of the Group's system of internal control to ensure that the internal controls are viable and robust and where necessary, recommended improvements are presented to the Audit Committee for consideration. In addition, the internal auditors also carried out follow-up reviews to ensure their recommendations for improvements to internal controls are implemented.
- The Audit Committee of the Board comprises of three Independent Non-Executive Directors and has full access to both the internal and external auditors.
- The Group has in place a Whistleblowing Policy which provides a channel to employees to report in confidentiality without fear of reprisals, concerns about possible improprieties in financial reporting or other matters.
- The Group has an Anti-Bribery and Anti-Corruption Policy in place to prevent the occurrence of corruption and bribery practice in relation to the business.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

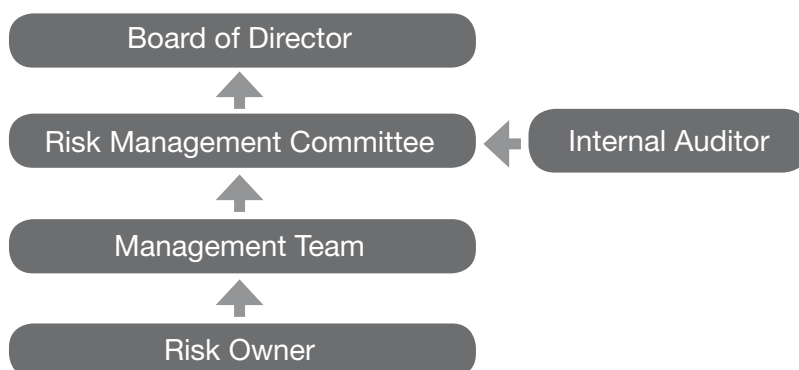
### D. KEY FEATURES OF RISK MANAGEMENT

The key elements of the Group's risk management are described below:

- The Board has engaged an independent professional consulting firm for reviewing of the Group's risk management system. The Internal auditor will provide advices or recommendations for improvement of any inadequacy to the risk management system.
- Risk Management Committee review and ensure the financial and operational controls designed to manage the Group's risk management are operating in an efficient and effective manner.
- The risks identified and control information are compiled in the risks register.
- Risk management report is presented to the Risk Management Committee and the Board for review.
- The Board continuously assesses significant risks with the assistance of Risk Management Committee.

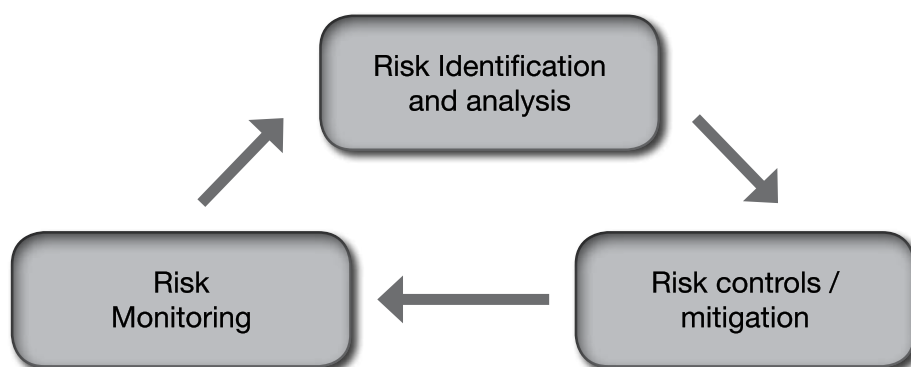
#### Risk Reporting Structure

The Group has established a comprehensive risk reporting structure to ensure that risks are identified, assessed, managed, and communicated effectively throughout the organization.



#### Risk Management Process

The Board acknowledges that the management of principal risks plays an important and integral part in achieving the Group's corporate objectives. The Group has ongoing processes and procedures to provide assurance that all significant risks are appropriately identified, managed and reported. The components of Risk Management processes have put in place by the Group inclusive of:





## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### D. KEY FEATURES OF RISK MANAGEMENT (CONT'D)

#### Risk Identification and analysis

- Sets the view by defining the focus for Risk Management process.
- Identification of key risks that may obstruct, threatening and exploit opportunities to enhance achievement of business objectives. Risk can also be identified through other business operations including internal and external audits, customer complaints and incident occurred.
- To analyse the nature of risk identified and the main factors leading to the risks.
- Following the evaluation, the risks can be prioritized in relation to their severity.

#### Risk controls / mitigation

- Risk response measures include the approach to manage the risk to the desired level. The control action plan taken to mitigate each risk identified will be documented in the Risk Register.

#### Risk Monitoring

- Risks are monitored by the risk owners on a yearly basis to ensure company understand the risk portfolio and risk capacity. The risk owners will report to the Management on any changes in the risk profile, risk register and control action plans and any risk related matters for appropriate actions to be taken.
- Key risks are reported to the Audit Committee and Board on yearly basis.

The following are the significant risks identified by the Group:

- Market risk
- Product risk
- Water Quality and Water Supply Management risk
- Fire Hazards, Power Outages, pest or Wild Animal Threat risk
- Human Resource risk
- Credit risk
- Environmental, Climate Change, Flood Hazards, Drought or Hot Seasons risk
- Information Technology System risk
- Compliance or Corruption risk
- Pandemic risk

The Board has appointed an outsourced and independent internal audit firm to assist the management in improving the current Risk Management Framework.

### E. REVIEW BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the independent auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with ISAE 3000, Assurance Engagements other than Audit or Reviews of Historical Financial Information and Recommended Practice Guide 5 (Revised) issued by the Malaysian Institute of Accountants does not require the independent auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of XL Group. Based on their procedures performed, the independent auditors have reported to the Board that nothing has come to their attention that caused them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by Paragraph 41 and 42 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, to be set out, nor is it factually inaccurate.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL  
(CONT'D)**F. ASSURANCE MECHANISM**

The Board confirms that there is a continuous process for identifying, evaluating and managing the significant risks faced by the Group, which has been deemed to be present throughout the financial year under review and up to the date of approval of the annual report and financial statements.

The Board, with the assistance of the internal audit and risk management functions, continuously reviews the adequacy and integrity of the Group's system of internal control and risk management, compliance with laws, regulations, rules, directives and guidelines. Control deficiencies and issues are highlighted and rectified by the management. Internal control procedures and security measures are introduced where necessary.

The Board has received assurance from the Chief Executive Officer and Chief Finance Officer that the Group's risk management and internal control system is operating adequately and effectively in all material aspects based on the current risk management and internal control of the Company.

The Board is of the view that the adequacy and effectiveness of the Group's Risk Management and Internal Control Systems are in place to provide reasonable assurance that the structure of controls and operations is adequate and appropriate to the Group.

This statement is made in accordance with the resolution of the Board of Directors dated 21 August 2025.