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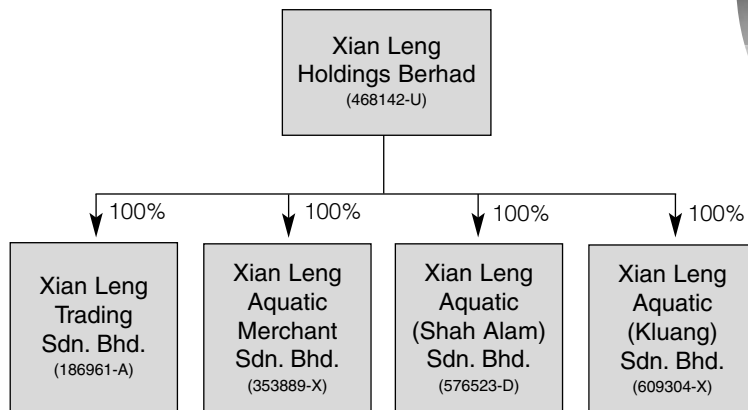
Mission Statement

“ We strive to be a first class breeder and supplier of high value Asian Arowana and other ornamental fishes with unmatched quality, achieved through continuous efforts in Research & Development.”



Corporate Profile

Xian Leng Holdings Berhad (XLB) was incorporated in Malaysia under the Companies Act, 1965 on 28 August 1998 as a private limited company and was converted into a public company followed by the successful listing of the Company on the Second Board of the Bursa Malaysia Securities Berhad (Bursa Securities) on 5 December 2001 and then transfer to the Main Board of Bursa Securities on 4 September 2003.



The Company is principally an investment holding and a provision of management services company. Presently, XLB has four wholly owned subsidiaries namely Xian Leng Trading Sdn. Bhd. (XLT), Xian Leng Aquatic Merchant Sdn. Bhd. (XLAM), Xian Leng Aquatic (Shah Alam) Sdn. Bhd. (XLASA) and Xian Leng Aquatic (Kluang) Sdn. Bhd. (XLAK). The principal activities of XLT are commercial captive breeding of the Asian Arowana and other ornamental fishes and property holding. XLAM is engaged in the trading of ornamental fishes and aquarium accessories including property holding. XLASA is engaged in the trading of ornamental fishes and aquarium accessories, targeting customers in the Central and Northern territories of Peninsular Malaysia. XLAK is engaged in the breeding and rearing of fishes and trading of aquaculture products.

XLB Group has four fish farms and two ornamental fish trading centres. One of the fish farms located in Parit Sulong, Batu Pahat is dedicated to the commercial captive breeding of Asian Arowana while the other one located in Sungai Suluh, Batu Pahat is for the breeding of other popular ornamental fishes such as Japanese Koi, Cichlids, Anabantids and the Gold Fish. The third fish farm at Kangkar Senangar has been completed and begun operation, whilst the fourth farm in Kluang is still under construction.

The ornamental fish trading centres situated in Batu Pahat and Shah Alam are engaged in the retailing of more than 200 species of both local and imported exotic aquarium fishes as well as aquarium tanks and accessories, fish feed and medication. With its wide coverage of ornamental fishes and aquarium accessories displayed in an attractive manner, the centres have become a model of its kind and a tourist draw for both hobbyists and visitors to the cities.





RESEARCH & DEVELOPMENT

Xian Leng Holdings Berhad maintains its leading edge over competitors through a strong commitment to research and technology development (RTD) that has enabled the Group to improve its production efficiency with increased productivity and product quality.

Technological breakthroughs achieved include the following:

1. Improving the quality of the Malaysian Golden variety, which ranks No 1, among Asian Arowana species;
2. Creating "new" variants of the major varieties through genetic selective breeding eg. the Brilliant Super Red and the Blue-Base & Golden Head Malaysian Crossback arowanas;
3. Enhancing the colour of the fish's scales with intense hues and brilliance to improve its attractiveness;
4. Improving the physical appearance and robustness of the fish through proper priming and careful nurturing of the fry;
5. Perfecting environmental and fish management practices; and
6. Improving feed quality and culture systems.

CORPORATE SOCIAL RESPONSIBILITY

The Group practices good Corporate Social Responsibility (CSR) and commits to uphold the interest of our stakeholders in the work place, community and the environment.

Workplace

The Group recognizes the importance of having a conducive working environment for the employees. It emphasizes fair promotional and remuneration scheme for all employees regardless of age and gender. Accordingly, XLB currently employs a number of retirees, senior citizens and disabled persons for its operations.

It also recognizes the importance of employee's welfare and strives to improve on the quality of life for all, by putting in place various educational and career advancement programs.

In addition, social and recreational activities are frequently organized to encourage employees' interaction, as well as to cultivate team spirit among the employees. Meanwhile, the Group also ensures a healthy workplace, by providing a clean and safe working environment for all employees.

Environment

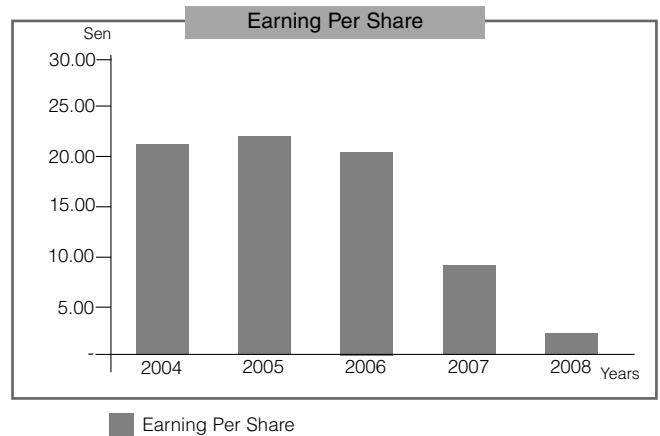
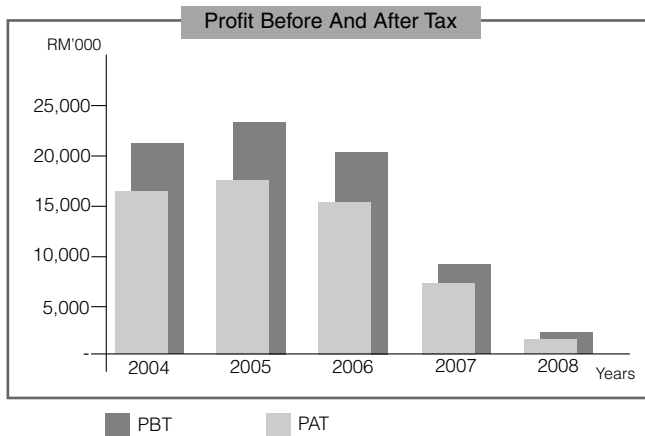
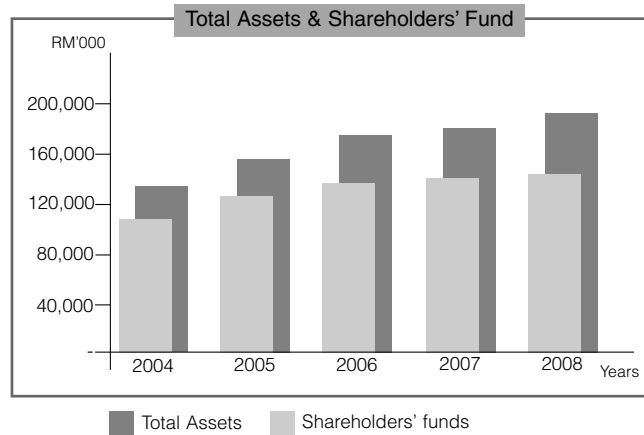
The Group is committed to ensure that its activities will not have a significant negative impact on the environment. It strongly adopts pollution free breeding methods for its fish farming operations.

Promotion of Agro-Tourism Industry

In line with the country's effort to promote agro-tourism industry, the Group is committed to the promotion of such activities by opening to the public its impressive collection of fishes at its aquariums in Batu Pahat and Shah Alam showrooms.



Group Financial Data



Group Financial Summary

Description	Year Ended 31 Jan 2004 RM'000	Year Ended 31 Jan 2005 RM'000	Year Ended 31 Jan 2006 RM'000	Year Ended 31 Jan 2007 RM'000	Year Ended 31 Jan 2008 RM'000
Income Statement					
Turnover	47,342	49,167	45,432	38,083	32,522
Profit before taxation	22,268	24,376	20,564	9,339	2,214
Profit after taxation	16,614	17,327	15,126	7,028	1,734
Balance Sheet					
Non-current Assets	119,153	138,857	160,834	168,329	175,527
Current Assets	19,544	16,295	18,387	20,150	14,474
Current Liabilities	14,097	13,242	26,157	27,589	28,724
Paid-up Capital	72,505	72,601	72,705	72,705	72,705
Shareholders' funds	111,097	126,408	138,438	142,932	143,276
Per Share					
Earning per share (sen)	22.94 [#]	23.88 [#]	20.81 [#]	9.67 [#]	2.39 [#]
Dividend rate (%)	3.00	4.50	4.50	2.50	1.00
Financial Ratio					
Return on shareholders' funds (%)	20.91	20.20	16.04	8.18	3.24
Current ratio	1.39	1.23	0.70	0.73	0.50

[#] The data was constructed based on weighted average share capital.



Corporate Information



Board of Directors:

Tan Sri Dato' Mohd Desa Bin Pachi (Chairman)
Ng Huan Tong (Managing Director)
Mohamed Shafeii bin Abdul Gaffoor
Lim Wan Hong (f)
Tan Cheng Kiat
Chua Bah Bee @ Chua Chong Seng
Dominic Lim Kuan Wee
Choy Siew Kiong
Chen Shih Hsie
Ismail Taufid Bin Md Yusoff

Executive Committee:

Ng Huan Tong (Managing Director)
Lim Wan Hong (f)
Chua Bah Bee @ Chua Chong Seng
Tan Cheng Kiat
Dominic Lim Kuan Wee

Audit Committee:

Choy Siew Kiong
(Chairman/Independent Non-Executive Director)
Chen Shih Hsie (Independent Non-Executive Director)
Dominic Lim Kuan Wee (Executive Director)

Nomination Committee:

Chen Shih Hsie
(Chairman/Independent Non-Executive Director)
Choy Siew Kiong (Independent Non-Executive Director)
Ismail Taufid bin Md Yusoff
(Independent Non-Executive Director)

Remuneration Committee:

Ismail Taufid bin Md Yusoff
(Chairman/Independent Non-Executive Director)
Choy Siew Kiong (Independent Non-Executive Director)
Ng Huan Tong (Managing Director)

Employees' Share Option Scheme Committee:

Ng Huan Tong (Chairman/Managing Director)
Chua Bah Bee @ Chua Chong Seng (Executive Director)
Dominic Lim Kuan Wee (Executive Director)

Secretaries:

Yong May Li (f) (LS 000295)
Ng Poh Choo (f) (LS 0009024)

Auditors:

Ernst & Young
Suite 11.2, Level 11, Menara Pelangi
2, Jalan Kuning, Taman Pelangi
80400 Johor Bahru,
Johor Darul Ta'zim, Malaysia
Tel: 607-3341740 Fax: 607-3341749

Registrars:

PFA Registration Services Sdn. Bhd.
Level 13, Uptown 1
No. 1 Jalan SS 21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7718 6000 Fax: 03-7722 2311

Registered Office:

Suite 15.03, Level 15, Menara MAA,
No. 15, Jalan Dato' Abdullah Tahir,
80300, Johor Bahru, Johor
Tel: 07-335 4988 Fax: 07-335 4977
Internet website : xianleng.com.my

Principal Bankers:

OCBC Bank (Malaysia) Berhad
Malayan Banking Berhad
EON Bank Berhad
United Overseas Bank (Malaysia) Berhad

Stock Exchange Listing:

Main Board of Bursa Malaysia Securities Berhad
(Bursa Securities)

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statement of the Company and the Group for the financial year ended 31 January 2008.

A. Financial Review

I am pleased to be able to report that the Group registered another profitable year. We have targeted the highest segment of the Asian Arowana market and producing higher quality breeds, which in turn, fetched higher prices.

Despite the uncertainties from the global economic conditions and the aggressive price competition, the Group maintains a profit before tax margin of 6.8% although the margin dropped to RM2.214 million compared to RM9.339 million for financial year ended 31 January 2007. Profit after tax of RM1.734 million for the financial year under review showed a decrease of 75.33% as compared to RM7.028 million for financial year ended 31 January 2007 arising from aggressive price competition, higher depreciation charge arising from investments in the new farm and the new farm has yet to contribute fully to the revenue of the Group.

B. Dividends

The Board of Directors is recommending for approval by the shareholders at the forthcoming Annual General Meeting, the payment of a first and final dividend of 1.0 sen per share, less 25% taxation as compared with the first and final dividend of 2.5 sen per share less 27% taxation, declared and paid in the previous financial year.

C. Future Prospects

Overall, the Group's financial performance will still be dependant on the development of the price competition. Going forward, the operating environment for the industry is expected to remain challenging, but necessary measures continued to be taken to explore future business opportunities.

D. Acknowledgements

I would like to express my heartfelt appreciation to my fellow directors and all employees for their continuing support and contribution. I would also like to express my gratitude to our shareholders for their confidence in our ability to further improve shareholders' value.

Lastly, I would like to thank the various Government departments, statutory bodies, business partners, suppliers, customers, financiers and the business community for the co-operation and support they have given to the Group throughout the year.

Tan Sri Dato' Mohd Desa Bin Pachi
Chairman

3 June 2008

Profile of Directors



	Tan Sri Dato' Mohd Desa Bin Pachi	Ng Huan Tong	
Position	Independent Non Executive Director and Chairman	Managing Director	
Age	74	49	
Nationality	Malaysian	Malaysian	
Qualification field	Chartered Accountant	Marketing & Production Planning	
Working experience & Occupation	<ul style="list-style-type: none"> - A fellow member of the Institute of Chartered Accountants Australia, a member of the Malaysian Institute of Accountants and the Malaysian Institute of Management. - He joined Shell Group of Companies in 1962 and served in various capacities in the Financial Administration. From 1970 to 1976, he was in public practice as a Chartered Accountant and was a partner of Desa Megat & Co and KPMG Peat Marwick, Mitchell. Subsequently, he was appointed as the first CEO of Permodalan Nasional Berhad and later served as the Chairman/CEO of Malaysia Mining Corporation Berhad, Executive Chairman of Fleet Group Sdn. Bhd., Chairman/MD of the New Straits Times Press (Malaysia) Berhad, Chairman of Sistem Televisyen Malaysia Berhad (TV3) and Chairman of Bumiputra-Commerce Holdings Berhad (up to July 2006). - Concurrently serves as the Chairman of Saujana Consolidated Berhad, Leader Steel Holdings Berhad, Tracoma Holdings Berhad and Eonmetall Group Berhad as well as sits on the Board of several public and private companies. 	<ul style="list-style-type: none"> - More than 24 years experience in the ornamental fish industry. - Oversees company planning, development, marketing and overall management. 	
Date of Appointment	1 September 1998	2 October 1998	
Other directorships of public companies	Ya Horng Electronic (M) Berhad, Leader Steel Holdings Berhad, Saujana Consolidated Berhad, Tracoma Holdings Berhad, Eonmetall Group Berhad, Petaling Garden Berhad, Pemodalan Nasional Berhad and Amanah Mutual Berhad (Formely known as Mayban Unit Trust Berhad).	Nil	
Membership of Board Committees	Nil	Chairman of Employee's Share Option Scheme and Member of Remuneration Committee	
Family relationship with any director and / or major shareholder of XLB	Nil	Husband to Mdm. Lim Wan Hong, Executive Director	
Conflict of interest with XLB, if any	Nil	Nil	
Convictions for offences within the past 10 years other than traffic offences	Nil	Nil	
Attendance at Board Meetings held during the financial year	No. of meetings held 5	No. of meetings held 5	No. of meetings held 5



Profile of Directors

	Mohamed Shafeii Bin Abdul Gaffoor	Lim Wan Hong		
Position	Independent Non Executive Director	Non-Independent Executive Director		
Age	45	45		
Nationality	Malaysian	Malaysian		
Qualification field	Business Administration	Ornamental Fish Trade		
Working experience & Occupation	<ul style="list-style-type: none"> - Holds a Bachelor of Arts from the University of Waterloo, Canada and a Master Degree in Business Administration from the University of Dundee, UK. - Started his career as an Economist with Bank Negara Malaysia after graduation. - Attached with Ernst and Young prior to joining Shapadu Corporation Sdn. Bhd. as the Manager. - In 1994, he became the Managing Director of DPCSB, a management consultants firm, a position he holds to date. 	<ul style="list-style-type: none"> - More than 17 years of working experience in the ornamental fish trade. - Currently is the Chief Executive Officer of XLAM. 		
Date of Appointment	1 September 1998	2 October 1998		
Other directorships of public companies	Nil	Nil		
Membership of Board Committees	Nil	Nil		
Family relationship with any director and / or major shareholder of XLB	Nil	Wife to Mr Ng Huan Tong, Managing Director		
Conflict of interest with XLB, if any	Nil	Nil		
Convictions for offences within the past 10 years other than traffic offences	Nil	Nil		
Attendance at Board Meetings held during the financial year	No. of meetings held 5	No. of meetings held 5	No. of meetings held 5	No. of meetings held 5

Profile of Directors



Tan Cheng Kiat

Position	Non-Independent Executive Director	
Age	66	
Nationality	Malaysian	
Qualification field	Science and Fisheries Management	
Working experience & Occupation	<ul style="list-style-type: none"> - Holds a Master in Science from the University of Singapore and a post-graduate Diploma in Fisheries Management from the Grimby College of Technology, UK. - Served in DOFM for over 30 years in various positions, including as Deputy Director General of the organization. - Acted as Consultant to the Food and Agriculture Organisation of the United Nations Development Programme and the Malaysian Institute of Economic Research in the formulation of a comprehensive fisheries development plans. 	
Date of Appointment	2 October 1998	
Other directorships of public companies	Nil	
Membership of Board Committees	Nil	
Family relationship with any director and / or major shareholder of XLB	Nil	
Conflict of interest with XLB, if any	Nil	
Convictions for offences within the past 10 years other than traffic offences	Nil	
Attendance at Board Meetings held during the financial year	No. of meetings held 5	No. of meetings held 5

Chua Bah Bee @ Chua Chong Seng

Position	Non-Independent Executive Director	
Age	63	
Nationality	Malaysian	
Qualification field	Chartered Accountant	
Working experience & Occupation	<ul style="list-style-type: none"> - Member of the Institute of Chartered Accountants in England and Wales. - Currently a Senior Group Executive Director of XLB, responsible for the strategic planning, growth, overall corporate development and marketing for XLB Group. 	
Date of Appointment	2 October 1998	
Other directorships of public companies	Nil	
Membership of Board Committees	Member of Employee's Share Option Scheme Committee	
Family relationship with any director and / or major shareholder of XLB	Nil	
Conflict of interest with XLB, if any	Nil	
Convictions for offences within the past 10 years other than traffic offences	Nil	
Attendance at Board Meetings held during the financial year	No. of meetings held 5	No. of meetings held 5



Profile of Directors

Dominic Lim Kuan Wee

Position	Non-Independent Executive Director	
Age	34	
Nationality	Malaysian	
Qualification field	Chartered Accountant	
Working experience & Occupation	<ul style="list-style-type: none"> - Member of the Malaysian Institute of Certified Public Accountants, the Malaysian Institute of Accountants and the Malaysian Institute of Taxation. - Joined Deloitte KassimChan Malaysia after graduating with a Bachelor (Honours) Degree in Accountancy from University Putra Malaysia. - Served as Group Accountant and later as the Head of Finance and Administration in a local property development conglomerate. 	
Date of Appointment	1 September 2006	
Other directorships of public companies	Nil	
Membership of Board Committees	Member of Audit Committee and Employees' Share Option Scheme Committee	
Family relationship with any director and / or major shareholder of XLB	Nil	
Conflict of interest with XLB, if any	Nil	
Convictions for offences within the past 10 years other than traffic offences	Nil	
Attendance at Board Meetings held during the financial year	No. of meetings held 5	No. of meetings held 5

Choy Siew Kiong

Position	Independent Non-Executive Director	
Age	63	
Nationality	Malaysian	
Qualification field	Fisheries Management	
Working experience & Occupation	<ul style="list-style-type: none"> - Graduated with a Bachelor of Science from the University of British Columbia, Canada in 1968 and a Diploma in Fisheries Management in 1974 from Grimbsy College of Technology in UK. - Served as State Director in Terengganu, Johor, Perak and Kedah/Perlis and as the Director of the Extension and Training Division in the Department of Fisheries. 	
Date of Appointment	1 October 2001	
Other directorships of public companies	Nil	
Membership of Board Committees	Chairman of Audit Committee and Member of Nomination Committee and Remuneration Committee	
Family relationship with any director and / or major shareholder of XLB	Nil	
Conflict of interest with XLB, if any	Nil	
Convictions for offences within the past 10 years other than traffic offences	Nil	
Attendance at Board Meetings held during the financial year	No. of meetings held 5	No. of meetings held 5

Profile of Directors



	Chen Shih Hsie		Ismail Taufid Bin Md Yusoff	
Position	Independent Non-Executive Director		Independent Non-Executive Director	
Age	63		62	
Nationality	Malaysian		Malaysian	
Qualification field	Fisheries Management		Fisheries Management	
Working experience & Occupation	<ul style="list-style-type: none"> - Graduated with a Bachelor of Engineering from the University of Malaya. - Began his career as an Officer of the Fisheries Training Institute in Department of Fisheries in 1971. - In 1975, became the Head of the Technology Branch for the Department of Fisheries' Headquarters. - In 1988, acted as Founding Director of the Engineering Division of the Department of Fisheries and later served as Director of the said division until his retirement in 1999. 		<ul style="list-style-type: none"> - Graduated with a Bachelor of Fisheries Science from the Tokyo University of Fisheries, Japan. - Started as an Officer of the Fisheries Research Institute and Fisheries Training Institute. - In 1982, he was promoted to State Director of the Department of Fisheries. Subsequently, he was appointed as the Head of the Resource Management Unit of the Department of Fisheries before being transferred to the Southeast Asian Fisheries Development Centre as Chief of Marine Fishery Resources Development and Management Department. 	
Date of Appointment	1 October 2001		1 October 2001	
Other directorships of public companies	Nil		Nil	
Membership of Board Committees	Chairman of Nomination Committee and Member of Audit Committee		Chairman of Remuneration Committee and Member of Nomination Committee	
Family relationship with any director and / or major shareholder of XLB	Nil		Nil	
Conflict of interest with XLB, if any	Nil		Nil	
Convictions for offences within the past 10 years other than traffic offences	Nil		Nil	
Attendance at Board Meetings held during the financial year	No. of meetings held 5	No. of meetings held 5	No. of meetings held 5	No. of meetings held 5

The Audit Committee is pleased to present the report of the Audit Committee for the financial year ended 31 January 2008.

A. MEMBERS AND MEETINGS ATTENDANCES

The Committee comprises the following members and details of attendance of each member at Committee Meetings held during the year are as follows:-

Composition of Committee	Number of Committee Meetings	
	Held	Attended
Choy Siew Kiong (Chairman / Independent Non-Executive Director)	4	4
Chen Shih Hsie (Independent Non-Executive Director)	4	4
Dominic Lim Kuan Wee (Executive Director - Member of the MIA)	4	4

The meetings were appropriately structured through the use of agendas, which were distributed to the members with sufficient notification.

B. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The main activities undertaken by the Committee during the year are as follows:-

a) Financial Results:

- Reviewed the audited financial statements. The review was to ensure that the audited financial statements were drawn up in accordance with the provision of the Companies Act 1965 and applicable Financial Reporting Standards ("FRS") in Malaysia.
- Reviewed any related party transaction and conflict of interest situation that may arise within the Company and its subsidiaries.
- Reviewed the quarterly unaudited financial results. The review was to ensure compliance with the Listing Requirements of the Bursa Securities.
- Reviewed the quarterly unaudited financial results before recommending them for the Board's approval.
- Reviewed the internal audit plans and reports, discussed the findings and recommendations by the Internal Audit.
- Discussed and reviewed with the external auditors the audit plans and approaches, results of their examinations, auditors' report and management issues, highlights and updates on FRS.

b) Internal Audit Function:

- The Internal Audit department is independent from the activities of the Company and reports directly to the Committee.
- The principal responsibilities of Internal Auditor are to undertake regular and systematic reviews of the system of controls and management information system, including systems for compliance with applicable laws, regulations, rules, directives and guidelines, so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively in the Group.
- The Internal Auditor reports on work undertaken and recommends action plans for discussion with Management. Internal Auditor then monitors the implementation of the agreed action plans to ensure full compliance. The reports together with the follow-up action plans and implementation status will then be presented to the Audit Committee.



C. MEMBERSHIP

The Audit Committee is appointed by the Board from amongst the Directors consists of three (3) members, comprising a majority of Directors independent from management and executive functions ("Independent Directors"). The Audit Committee included one Director who is a member of the Malaysian Institute of Accountants (MIA) or (if not a member of MIA, the Director must comply with Paragraph 15.10(1) of the Listing Requirements of Bursa Securities). The Chairman of the Committee is an Independent Director elected from among the members of Audit Committee. The Audit Committee has no authority to act on behalf of the Board but shall have authority to examine all the issues at hand and to report back to the Board with recommendations.

D. FREQUENCY OF MEETINGS

The Audit Committee met four (4) times this year. All members were present at the meeting.

Notices of meetings were given to all members of the Committee. Minutes of each meeting were recorded by the Secretary, confirmed by the Chairman and kept by the Secretary. Minutes of each meeting were furnished to the Directors for their information.

E. TERMS OF REFERENCE

a) Authority:

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

b) The Duties of the Committee shall be :

- to consider the appointment of the external auditors, any questions of resignation or dismissal, to discuss with the external auditors before the audit commences, the nature and scope of the audit, and the assistance given by the Company's officers to the auditors and ensure coordination where more than one audit firm is involved;
- to discuss problems and reservations arising from the interim and final audits, and any matters the external auditors may wish to discuss (in the absence of management where necessary);
- to review the internal audit functions and programmes, consider the major findings of internal audit investigation and management's response (in the absence of Management where necessary), and ensure coordination between the internal and external auditors and the internal auditors to report directly to the Committee and shall have access to the Chairman of the Committee;
- to review the adequacy of the competency and the relevance of the scope, functions and resources of internal audit and the necessary authority to carry out its work;
- to keep under review the effectiveness of internal control system, and in particular review the external and internal auditors' management letters and management's responses;
- to review the quarterly and annual financial statements before submission to the Board, focusing particularly on :-
 - any changes in accounting policies and practices
 - major judgmental areas
 - significant adjustments resulting from the audit
 - the going concern assumptions compliance with accounting standards
 - compliance with stock exchange and legal requirements
 - any related party transactions that may arise within the Company or Group

E. TERMS OF REFERENCE (Cont'd)

- to undertake additional duties, as may be agreed to by the Audit Committee and the Board of Directors.

F. REPORTING PROCEDURES

The Audit Committee shall report to the Board of Directors.

G. RIGHTS OF THE AUDIT COMMITTEE

The Board authorised that wherever necessary and reasonable for the performance of its duties, the Audit Committee shall, in accordance with a procedure to be determined by the Board of Directors and at the cost of the Company:-

- Have authority to investigate any activities within its terms of reference.
- Have authority to request any information relevant to its activities from any employee of the Company or the Group and all employees are directed to cooperate with any request made by the Committee.
- Have the ability to consult independent experts where they consider it necessary to carry out their duties.

This report is made with the approval of the Board dated 15 May 2008.

Statement of Corporate Governance



The Board of Xian Leng Holdings Berhad (“XLB”) fully supports the “Code” which sets out the basic principles and best practices on structures and processes that companies may follow in their operations towards achieving the optimal Corporate Governance outlined in the Malaysian Code of Corporate Governance.

In line with the listing requirements of the Bursa Securities, reviews are being taken on a periodic and continuous basis to evaluate the status of the Group Corporate Governance procedures and its compliance with the Code's best practices to protect and enhance shareholders' value. The following describes the application of the principles and the extent of compliance with the best practices.

A. DIRECTORS

a) The Board

The Board currently has ten (10) members comprising of five (5) independent non-executive directors and five (5) executive directors.

A brief description on the profile of each of the Director are presented on pages 7 to 11 of this Annual Report.

The Board has an effective working partnership with management in establishing the strategic direction and there is a clear division of responsibility between the Chairman and the Managing Director to ensure that there is a balance of power and authority. The Board is led by Tan Sri Dato' Mohd Desa Bin Pachi, an Independent Non-Executive Director and Chairman, while the executives are led by Mr Ng Huan Tong, the Managing Director.

b) Board Meetings

Five (5) Board Meetings were held during the financial year ended 31 January 2008 and all directors were present at the meetings.

Name of Directors	Number of meeting attended
Tan Sri Dato' Mohd. Desa Bin Pachi	5
Ng Huan Tong	5
Mohamed Shafeii Bin Abdul Gaffoor	5
Lim Wan Hong (f)	5
Tan Cheng Kiat	5
Chua Bah Bee @ Chua Chong Seng	5
Dominic Lim Kuan Wee	5
Choy Siew Kiong	5
Chen Shih Hsie	5
Ismail Taufid Bin Md. Yusoff	5

c) Supply of information

All Directors have access to all information and can also seek external advice to assist them in making Board decisions. All directors have access to the advice and services of the Company Secretary.

d) 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.

e) 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 Nomination Committee and the Remuneration Committee.

e) Board Committee (Cont'd)

i) Audit Committee

The Audit Committee comprised the following members during the year:

- Choy Siew Kiong (Chairman, Independent Non-Executive Director)
- Chen Shih Hsie (Member, Independent Non-Executive Director)
- Dominic Lim Kuan Wee (Member, Executive Director)

The terms of reference of the Audit Committee requires it to meet at least four (4) times a year. The Committee's primary functions include the review of the effectiveness of the internal control system within the Group, reviewing the financial reporting process and the external audit process.

ii) Nomination Committee

The Nomination Committee consists of the following Independent Non-Executive Directors during the year:

- Chen Shih Hsie (Chairman, Independent Non-Executive Director)
- Choy Siew Kiong (Member, Independent Non-Executive Director)
- Ismail Taufid Bin Md Yusoff (Member, Independent Non-Executive Director)

The Committee's key functions are to make recommendation on all new appointments and re-election to the Board and recommends membership of Board Committees. Its other responsibilities include the review of the structure, size and composition of the Board, including the ongoing effectiveness of the Board as a whole and the committees of the Board, and the contribution of each director towards the effective functioning of the Board.

iii) Remuneration Committee

The Remuneration Committee consists of a majority of non-executive directors during the year:

- Ismail Taufid Bin Md Yusoff (Chairman, Independent Non-Executive Director)
- Choy Siew Kiong (Member, Independent Non-Executive Director)
- Ng Huan Tong (Member, Managing Director)

The Remuneration Committee will be responsible for setting the policy framework and for making recommendations to the Board on all elements of the remuneration and other terms of employment related to remuneration. Director's remuneration will be a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting on decisions in respect of his individual remuneration.

B. DIRECTORS' REMUNERATION

The fees of Directors, including non-executive Directors, are determined by the Board with the approval from shareholders at the Annual General Meeting.

The objective of the Company's policy on Directors' remuneration is to attract and retain the Directors needed to run the Group successfully.

In the case of Executive Directors, the remuneration is structured so as to link rewards to corporate and individual performance. Performance is measured against profits and other targets set by the Group.

In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular Non-Executive Director concerned.

Statement of Corporate Governance



B. DIRECTORS' REMUNERATION (Cont'd)

The aggregate Directors' remuneration paid or payable or otherwise made available to all Directors of the Group who served during the financial year are as follows:

Category	Fees	Salaries & Other Emoluments RM	Benefits in kind RM	Total RM
Executive Directors	10,000	1,127,040	52,000	1,189,040
Non-Executive Directors	241,000	-	-	241,000

The number of directors of the Company who served during the financial year and their total remuneration fall within the following bands:

Range of remuneration (RM)	No. of Directors	
	Executive	Non-Executive
50,000 and below	-	4
50,001 - 100,000	1	1
100,001 - 150,000	3	-
150,001 - 200,000	1	-

C. DIRECTORS' TRAINING

The Board acknowledges the importance of continuous education and training to enable the Directors to discharge their responsibilities effectively. All Directors of the Company have attended the Mandatory Accreditation Programme as required by Bursa Securities.

The Directors will continue to attend other relevant training programmes to equip themselves with the knowledge to discharge their duties effectively and also to keep abreast with the developments on a continuous basis in compliance with paragraph 15.09 of the Listing Requirements of Bursa Securities.

During the financial year ended 31 January 2008, the Directors have attended the following training programmes:-

- Investors Relations: A Practical Approach
- Roles & Obligations of Company Directors
- Round table discussion - Sabah is good for business. How to push for growth with Chief Minister of Sabah YAB Datuk Musa Hj. Aman at University of Malaysia Sabah, Kota Kinabalu
- The radical transformation of the Company Law - Global trends and local initiative by Prof. John Farrar
- Development - by Kofi Annan (Nobel Peace Laureate and former U.N. Secretary General Global Citizen), Professor Muhammad Yunus (Nobel Peace Laureate - Father of Micro Credit) and Professor Joseph E. Stiglitz (Nobel Peace Laureate in Economics)
- Asia Pacific Golf Development Summit 2007

D. ANNUAL GENERAL MEETING

The Board recognized the importance of good communication with all shareholders.

The Annual General Meeting 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 to answer and provide explanations based on information available to questions raised during the meeting.

Notice of Annual General Meeting and Annual Report are sent out to shareholders at least 21 days before the date of the meeting. In the case of 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.

E. ACCOUNTABILITY AND AUDIT

a) Financial Reporting

For financial reporting through quarterly reports to Bursa Securities and the Annual Report to shareholders, the Directors aim to present a fair assessment of the Company's position and prospects. The Statement by Directors pursuant to Section 169 (15) of the Companies Act, 1965 is set out on page 26 of this Annual Report.

b) Internal Controls

The Directors acknowledge their responsibilities for the Company to maintain a sound system of internal controls covering financial, operation and compliance controls and to safeguard shareholders' investment and the Company's assets.

Information on the Group's internal control is presented in the Statement on Internal Control laid out on page 19.

c) Relation with the External Auditors

The key features underlying the relationship of the Audit Committee with the external auditors are included in the Audit Committee Report as detailed in this Annual Report.

d) Statement of Compliance with the Best Practices of the Code

The Group has complied with the Best Practices of Corporate Governance as set out in the Code.

F. 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 give a true and fair view of the state of affairs of the Group and of the Company as at the end of the accounting period and of the profit and loss and cash flows for the year then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia have been applied and complied. The Board has adopted and consistently applied accepted accounting policies and made reasonable and prudent judgements and estimates.

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

Statement made in accordance with the resolution of the Board dated 15 May 2008.

Statement of Internal Control



A. RESPONSIBILITIES

The Board of Directors ("Board") recognises that it is responsible for the Group's system of internal control and for reviewing its adequacy and integrity. 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.

B. 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.
- The Board continuously assesses key business risks with the assistance of Audit Committee.
- Financial results are reviewed quarterly by the Audit Committee and the Board.
- Directors and head of departments meet regularly to discuss operational, corporate, financial and key management issues.
- An internal audit function to assess the adequacy and integrity of the Group's system of internal controls and to monitor compliance with procedures.
- Effective reporting system to ensure timely generation of financial information for management review.

C. 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 date of approval of the annual report and financial statements.

The Board, with the assistance of the internal audit function, continuously reviews the adequacy and integrity of the Group's system of internal control and management information system, and 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 is of the view that the monitoring arrangement in place to provide reasonable assurance that the structure of controls and operations is adequate and appropriate to the Group.

Statement made in accordance with the resolution of the Board of Directors dated 15 May 2008.

In compliance with the Listing Requirements of Bursa Malaysia Securities Berhad

MATERIAL CONTRACT

There were no material contracts involving directors or major shareholders other than those entered in the ordinary course of business by the Company disclosed in the financial statements.

UTILISATION OF PROCEEDS

There were no proceeds raised by the Company during the financial year ended 31 January 2008.

SHARE BUY-BACK

Details of shares purchased during the financial year ended 31 January 2008 are as follows:

Monthly Breakdown	No. of Shares Purchased and Retained as Treasury Shares	Purchase Price			Total Consideration RM
		Lowest RM	Highest RM	Average RM	
2007					
February	40,000	0.805	0.810	0.813	32,516
July	30,000	0.760	0.765	0.767	23,020
2008					
January	16,000	0.750	0.755	0.759	12,136
	86,000				67,672

During the financial year the Company purchased a total of 86,000 ordinary shares of RM1 each in the Company at a total cost of RM67,672.

As at 31 January 2008, a total of 301,000 shares bought back are being held as treasury shares with none of the shares being cancelled or distributed during the financial year.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

During the financial year under review, the Company has not issued any options, warrants or convertible securities other than the granting of option under the XLB Employees' Share Option Scheme.

AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR") PROGRAM

During the financial year, the Company did not sponsor any ADR OR GDR program.

IMPOSITION OF SANCTIONS AND PENALTIES

There were no material sanctions or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year.

NON-AUDIT FEES

The amount of non-audit fees paid to the external auditors by the Group and by the Company for the financial year amounted to RM10,000.

Additional Information



VARIATION IN RESULTS

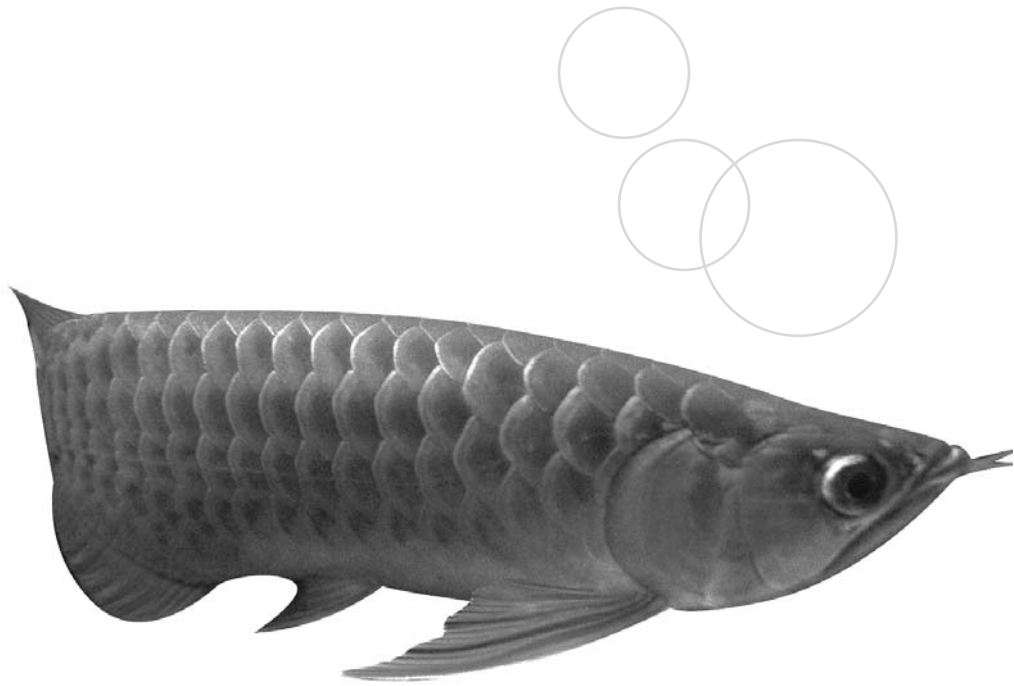
There were no variances of 10% or more between the results for the financial year and the unaudited results and the profit forecast previously announced.

PROFIT GUARANTEE

During the financial year, there were no profit guarantees given by the Company.

REVALUATION POLICY

The Company did not adopt any revaluation policy on landed properties.



Reports & Financial Statements



Directors' Report



The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 January 2008.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and provision of management services. The principal activities of the subsidiaries are described in Note 12 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the year	1,734,487	<u>253,698</u>

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the effects arising from changes in estimates where the estimated useful lives of fish ponds were revised resulting in an increase in the Group's profit for the year by RM1,590,128 as disclosed in Note 2.4 to the financial statements.

DIVIDENDS

The amounts of dividends declared and paid by the Company since 31 January 2007 were as follows:

	RM
In respect of the financial year ended 31 January 2007 as reported in the directors' report of that financial year:	
First and final dividend of 2.5% less 27% taxation, on 72,449,500 ordinary shares, paid on 9 July 2007	<u>1,322,206</u>

At the forthcoming Annual General Meeting, a first and final dividend in respect of the current financial year ended 31 January 2008, of 1.00% less 25% taxation on 72,403,500 ordinary shares, amounting to RM543,026 (0.75 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the next financial year ending 31 January 2009 .

DIRECTORS

The names of the directors of the Company in office since the last report and at the date of this report are:

Tan Sri Dato' Mohd. Desa bin Pachi
Ng Huan Tong
Mohamed Shafeii bin Abdul Gaffoor
Lim Wan Hong
Tan Cheng Kiat
Chua Bah Bee @ Chua Chong Seng
Ismail Taufid bin Md Yusoff
Choy Siew Kiong
Chen Shih Hsie
Dominic Lim Kuan Wee

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, other than as may arise from the share options granted pursuant to the Employee Share Options Scheme ("ESOS").

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 6 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has substantial financial interest.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interest of directors in office at the end of the financial year in shares and ESOS in the Company and its subsidiaries during the financial year were as follows:

	Number of Ordinary Shares of RM1.00 Each			
	1 February 2007	Acquired	Sold	31 January 2008
The Company				
Direct Interest:				
Ng Huan Tong	16,905,000	-	-	16,905,000
Lim Wan Hong	16,903,500	-	-	16,903,500
Chua Bah Bee @ Chua Chong Seng	4,965,500	-	-	4,965,500
Tan Cheng Kiat	15,000	-	-	15,000

	Number of 2004/2013 Options over Ordinary Shares of RM1 Each			
	1 February 2007	Granted	Exercised	31 January 2008
Granted at the subscription price of RM1.68 per share				
Ng Huan Tong	724,000	-	-	724,000
Lim Wan Hong	724,000	-	-	724,000
Chua Bah Bee @ Chua Chong Seng	724,000	-	-	724,000
Tan Cheng Kiat	724,000	-	-	724,000

Ng Huan Tong and Lim Wan Hong by virtue of their interests in the shares of the Company are also deemed interested in the shares of all the subsidiaries to the extent that the Company has an interest.

None of the other directors in office at the end of the financial year had any interest in shares or options over shares in the Company or its subsidiaries during the financial year.

TREASURY SHARES

During the financial year, the Company repurchased 86,000 of its issued ordinary shares from the open market at an average price of RM0.78 per share. The total consideration paid for the repurchase including transaction costs was RM67,672. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 31 January 2008, the Company held as treasury shares a total of 301,000 of its 72,704,500 issued ordinary shares. Further relevant details of the shares repurchase are disclosed in Note 18(b) to the financial statements.



EMPLOYEE SHARE OPTIONS SCHEME

The Xian Leng Holdings Berhad's Employee Share Option Scheme ("ESOS") is governed by the by-laws approved by the shareholders at the Extraordinary General Meeting held on 25 June 2003. The ESOS was implemented on 25 August 2003 and is to be in force for a period of 10 years from the date of implementation.

The salient features and other terms of the ESOS are disclosed in Note 18(a) to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of option holders, other than directors, who have been granted options to subscribe for less than 150,000 ordinary shares of RM1 each. There were no new ESOS granted during the financial year.

OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts in respect of the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 15 May 2008.

Ng Huan Tong

Lim Wan Hong



Statement By Directors

Pursuant to Section 169(15) of the Companies Act, 1965

We, Ng Huan Tong and Lim Wan Hong, being two of the directors of Xian Leng Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 28 to 53 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2008 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 15 May 2008.

Ng Huan Tong

Lim Wan Hong

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, Dominic Lim Kuan Wee, being the director primarily responsible for the financial management of Xian Leng Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 28 to 53 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed Dominic Lim Kuan Wee at)
Johor Bahru in the State of Johor on)
15 May 2008)

Dominic Lim Kuan Wee

Before me,

Aminah Binti Abdullah
No. J150
Commissioner for Oaths

Report of The Auditors

To The Members Of Xian Leng Holdings Berhad



We have audited the accompanying financial statements set out on pages 28 to 53. These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Group and of the Company as at 31 January 2008 and of the results and the cash flows of the Group and of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Ernst & Young
AF: 0039
Chartered Accountants

Abraham Verghese A/L T.V. Abraham
1664/10/08(J)
Partner

Johor Bahru, Malaysia
15 May 2008



Income Statements

For The Year Ended 31 January 2008

	Note	Group		Company	
		2008 RM	2007 RM	2008 RM	2007 RM
Revenue	3	32,522,389	38,082,561	1,288,000	2,788,000
Other income	4	111,971	53,514	-	-
Employee benefits expense	5	(3,294,984)	(3,285,707)	(335,617)	(408,943)
Changes in inventories		(932,934)	300,635	-	-
Purchases of inventories		(8,525,817)	(7,115,018)	-	-
Depreciation		(12,443,951)	(12,748,245)	-	-
Other expenses	7	(2,794,984)	(3,592,031)	(438,685)	(423,155)
Operating profit		4,641,690	11,695,709	513,698	1,955,902
Finance costs	8	(2,427,523)	(2,356,605)	-	-
Profit before tax		2,214,167	9,339,104	513,698	1,955,902
Income tax expense	9	(479,680)	(2,311,335)	(260,000)	(675,000)
Profit for the year		1,734,487	7,027,769	253,698	1,280,902
Earnings per share (sen)					
Basic	10	2.4	9.7		
Diluted	10	2.4	9.7		

The accompanying notes form an integral part of the financial statements.

Balance Sheets

As at 31 January 2008



	Note	Group		Company	
		2008 RM	2007 RM	2008 RM	2007 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	11	175,526,916	168,328,943	-	-
Investments in subsidiaries	12	-	-	50,000,000	50,000,000
		175,526,916	168,328,943	50,000,000	50,000,000
Current Assets					
Inventories	13	7,683,715	8,616,649	-	-
Tax recoverable		4,176,908	3,441,889	199,269	420,265
Trade and other receivables	14	1,558,795	6,735,203	24,541,410	25,440,129
Cash and bank balances	15	1,054,823	1,356,591	31,500	58,195
		14,474,241	20,150,332	24,772,179	25,918,589
TOTAL ASSETS		190,001,157	188,479,275	74,772,179	75,918,589
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	18	72,704,500	72,704,500	72,704,500	72,704,500
Reserves		70,571,866	70,227,257	2,031,127	3,167,307
Shareholders' equity		143,276,366	142,931,757	74,735,627	75,871,807
Non-current Liabilities					
Borrowings	16	2,337,218	2,698,307	-	-
Deferred tax liabilities	20	15,663,143	15,260,281	-	-
		18,000,361	17,958,588	-	-
Current liabilities					
Borrowings	16	27,110,526	26,881,158	-	-
Trade and other payables	17	1,613,904	707,772	36,552	46,782
		28,724,430	27,588,930	36,552	46,782
Total Liabilities		46,724,791	45,547,518	36,552	46,782
TOTAL EQUITY AND LIABILITIES		190,001,157	188,479,275	74,772,179	75,918,589

The accompanying notes form an integral part of the financial statements.

Statements of Changes In Equity

For The Year Ended 31 January 2008

	Note	Share capital RM	Non-Distributable Share premium RM	Treasury shares RM	Distributable Retained earnings RM	Total equity RM
Group						
At 1 February 2006		72,704,500	135,660	-	65,597,613	138,437,773
Profit for the year		-	-	-	7,027,769	7,027,769
Purchase of treasury shares	18(b)	-	-	(178,159)	-	(178,159)
Dividends	21	-	-	-	(2,355,626)	(2,355,626)
At 31 January 2007		72,704,500	135,660	(178,159)	70,269,756	142,931,757
Profit for the year		-	-	-	1,734,487	1,734,487
Purchase of treasury shares	18(b)	-	-	(67,672)	-	(67,672)
Dividends	21	-	-	-	(1,322,206)	(1,322,206)
At 31 January 2008		72,704,500	135,660	(245,831)	70,682,037	143,276,366
Company						
At 1 February 2006		72,704,500	135,660	-	4,284,530	77,124,690
Profit for the year		-	-	-	1,280,902	1,280,902
Purchase of treasury shares	18(b)	-	-	(178,159)	-	(178,159)
Dividends	21	-	-	-	(2,355,626)	(2,355,626)
At 31 January 2007		72,704,500	135,660	(178,159)	3,209,806	75,871,807
Profit for the year		-	-	-	253,698	253,698
Purchase of treasury shares	18(b)	-	-	(67,672)	-	(67,672)
Dividends	21	-	-	-	(1,322,206)	(1,322,206)
At 31 January 2008		72,704,500	135,660	(245,831)	2,141,298	74,735,627

The accompanying notes form an integral part of the financial statements.

Cash Flow Statements

For The Year Ended 31 January 2008



	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Cash flows from Operating Activities				
Profit before tax	2,214,167	9,339,104	513,698	1,955,902
Adjustments for:				
Depreciation of property, plant and equipment	12,443,951	12,748,245	-	-
Dividend income (gross)	-	-	(1,000,000)	(2,500,000)
Gain on disposal of property, plant and equipment	(28,895)	-	-	-
Interest expense	2,427,523	2,356,605	-	-
Write-off of inventories	-	222,791	-	-
Provision for doubtful debts	-	27,300	-	-
Provision for slowmoving inventories	13,761	-	-	-
Unrealised loss on foreign exchange	-	110,229	-	-
Operating profit/(loss) before changes in working capital	17,070,507	24,804,274	(486,302)	(544,098)
Decrease/(increase) in receivables	5,176,408	829,997	(186,281)	3,012,926
Decrease/(increase) in inventories	919,173	(300,635)	-	-
Increase/(decrease) in payables	906,132	270,956	(10,230)	3,203
Cash generated from/(used in) operations	24,072,220	25,604,592	(682,813)	2,472,031
Dividend income (net)	-	-	1,825,000	-
Taxes (paid)/refunded	(811,837)	(3,180,655)	220,996	-
Interest paid	(2,427,523)	(2,356,605)	-	-
Net cash generated from operating activities	20,832,860	20,067,332	1,363,183	2,472,031
Cash flows from Investing Activities				
Purchase of property, plant and equipment	(19,654,829)	(20,032,205)	-	-
Proceeds from disposal of property, plant and equipment	41,800	-	-	-
Net cash used in investing activities	(19,613,029)	(20,032,205)	-	-
Cash flows from Financing Activities				
Purchase of treasury shares	(67,672)	(178,159)	(67,672)	(178,159)
Repayment of hire purchase payables	(166,764)	(269,304)	-	-
Dividends paid	(1,322,206)	(2,355,626)	(1,322,206)	(2,355,626)
Proceeds from term loan	-	2,000,000	-	-
Repayment of term loans	(1,010,866)	(1,110,037)	-	-
Net cash used in financing activities	(2,567,508)	(1,913,126)	(1,389,878)	(2,533,785)
Net decrease in cash and cash equivalents	(1,347,677)	(1,877,999)	(26,695)	(61,754)
Cash and cash equivalents at beginning of year	(24,375,570)	(22,497,571)	58,195	119,949
Cash and cash equivalents at end of year (Note 15)	(25,723,247)	(24,375,570)	31,500	58,195

The accompanying notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Suite 15.03, Level 15, Menara MAA, No. 15 Jalan Dato' Abdullah Tahir, 80300 Johor Bahru, Johor Darul Takzim. The principal place of business of the Company is located at No. 35, Jalan Penjaja 3, 83000 Batu Pahat, Johor Darul Takzim.

The principal activities of the Company are that of investment holding and provision of management services. The principal activities of the subsidiaries are described in Note 12. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 15 May 2008.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and the Company comply with provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia. These financial statements have been prepared under the historical cost convention unless otherwise stated.

The financial statements are presented in Ringgit Malaysia (RM).

2.2 Summary of Significant Accounting Policies

(a) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.



2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Summary of Significant Accounting Policies (Cont'd)

(b) Property, Plant and Equipment, and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Construction work in progress comprises cost of construction of the fish pond and other related expenditure. Depreciation will commence upon completion of the construction. Depreciation of other property, plant and equipment is provided on a straight line basis to write off the cost of each asset over its estimated useful life, at the following annual rates:

Broodstocks and fish ponds	2.5%
Planting expenditure, workers' quarters, shop houses and renovation	2% - 10%
Land development expenditure, roads and drainage, tools and equipment	10%
Motor vehicles	20%
Office equipment, furniture and fittings	10%

Broodstocks consist of the original purchase price of Asian Arowana. Landscaping expenditure including cost incurred on land clearing and upkeep of trees to maturity are capitalised under planting expenditure and are amortised over 25 years upon maturity of the trees.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

(c) Inventories

Inventories represent livestock and consumables and are stated at the lower of cost (determined on the weighted average basis) and net realisable value. The cost of livestock include the original purchase price and the costs of bringing the livestock to their present location and condition. In the case of internally bred livestock, costs include cost of feeding, direct labour, other direct costs and an appropriate share of breeding overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(d) Leases

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. All other leases are classified as operating leases.

(i) Finance leases - the Group as lessee

Assets acquired by way of hire purchase are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Summary of Significant Accounting Policies (Cont'd)

(d) Leases (Cont'd)

(i) Finance leases - the Group as lessee (Cont'd)

Lease payments are apportioned between the finance costs and reduction of the outstanding liability. Finance costs, which represent the difference between the total lease commitments and the fair value of the assets acquired, are charged to the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge of the remaining balance of the obligations for each accounting period.

The depreciation policy for lease assets is in accordance with that for depreciable property, plant and equipment as described in Note 2.2(b).

(ii) Operating leases - the Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

(e) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(f) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(g) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also have been met before revenue is recognised:



2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Summary of Significant Accounting Policies (Cont'd)

(g) Revenue Recognition (Cont'd)

(i) Sale of Goods

Revenue is recognised net of sales taxes and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Dividend Income

Dividend income is recognised when the Group's right to receive payment is established.

(iii) Management Fees

Management fees are recognised when services are rendered.

(h) Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(ii) Foreign Currency Transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(i) Impairment of Non-financial Assets

The carrying amounts of assets, other than inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

An asset's recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flow, the recoverable amount is determined for the cash generating unit to which the asset belongs.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Summary of Significant Accounting Policies (Cont'd)

(i) Impairment of Non-financial Assets (Cont'd)

An impairment loss is recognised in profit or loss in the period in which it arises. Impairment loss is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Reversal of impairment loss of an asset is recognised in profit or loss to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined (net of depreciation), had no impairment loss been recognised for the asset in prior years.

(j) Employee Benefits

(i) Short Term Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined Contribution Plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund. Such contributions are recognised as an expense in the income statement as incurred.

(iii) Equity Compensation Benefits

The Xian Leng Holdings Berhad's Employee Share Options Scheme ("ESOS") allows the Group's employees to acquire shares of the Company. No compensation expense is recognised in profit or loss for share options granted. The Group and the Company recognise an increase in share capital and share premium when the options are exercised by the amount of the proceeds received. In accordance with the transitional provisions of FRS 2, other than the disclosure requirement, the Group is not required to apply this FRS as the ESOS were granted before 31 December 2004.

(k) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial instrument are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liabilities simultaneously.

(i) Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank and deposits at call which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(ii) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

Notes To The Financial Statements

31 January 2008



2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Summary of Significant Accounting Policies (Cont'd)

(k) Financial Instruments (Cont'd)

(iii) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(iv) Interest-Bearing Borrowings

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs. All borrowing costs are charged to the income statement as an expense in the year in which they are incurred.

(v) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the year in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

The consideration paid, including attributable transaction costs on repurchased ordinary shares of the Company that have not been cancelled, are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

2.3 Adoption of Financial Reporting Standards ("FRSs") for the Year

On 1 January 2007, the Company adopted the following revised and amendment to FRSs:

FRS 117	Leases
Amendment to FRS 119 ₂₀₀₄	Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures
FRS 124	Related Party Disclosures

The MASB has also issued FRS 6: Exploration for and Evaluation of Mineral Resources which was effective for annual periods beginning on or before 1 January 2007. This FRS is, however, not applicable to the Group.

The adoption of the revised and amendment to FRSs did not have a significant financial impact on the Group and the Company. However, the adoption of the revised FRS 124 gives rise to additional disclosures but did not result in significant changes in accounting policies of the Group.

At the date of authorisation of these financial statements, the following new, revised and amendment to FRSs and Interpretations were issued but not yet effective and have not been applied by the Group:

FRSs and Interpretations		Effective for financial period beginning on or after
FRS 107	Cash Flow Statements	1 July 2007
FRS 111	Construction Contracts	1 July 2007
FRS 112	Income Taxes	1 July 2007
FRS 118	Revenue	1 July 2007
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2.3 Adoption of Financial Reporting Standards ("FRSs") for the Year (Cont'd)**

FRSs and Interpretations		Effective for financial period beginning on or after
Amendments to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation	1 July 2007
FRS 134	Interim Financial Reporting	1 July 2007
FRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 July 2007
FRS 139	Financial Instruments: Recognition and Measurement	Deferred
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7	Applying the Restatement Approach under FRS 129: Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8	Scope of FRS 2	1 July 2007

The revised and amendment to FRSs and Interpretations are expected to have no significant financial impact on the financial statements of the Group and of the Company upon their initial application. The Group is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

2.4 Changes in Estimates

The revised FRS 116: Property, Plant and Equipment requires the review of the residual value and remaining useful life of an item of property, plant and equipment at least at each financial year end. The Group revised the estimated useful lives of fish ponds from ten to forty years with effect from 1 November 2007. The revisions were accounted for prospectively as a change in accounting estimates and as a result, the depreciation charges of the Group for the current financial year have been reduced by RM1,590,128.

2.5 Significant Accounting Judgements and Estimates**Key Sources of Estimation Uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Impairment of Property, Plant and Equipment

The management determines whether the carrying amounts of its property, plant and equipment are impaired at balance sheet date. This involves measuring the recoverable amounts which include fair value less costs to sell and valuation techniques which include discounted cash flows and the annuity approach. The valuation techniques require the Group to make an estimate of the expected future cash flows from its operations and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of property, plant and equipment of the Group as at 31 January 2008 was RM175,526,916 (2007: RM168,328,943).

Based on the opinion of the directors, no impairment is necessary and the management's assessments have provided reasonable assumptions that the carrying amounts of the property, plant and equipment at the balance sheet date are not impaired.

Notes To The Financial Statements

31 January 2008



2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.5 Significant Accounting Judgements and Estimates (Cont'd)

(ii) Depreciation of Broodstocks

The cost of broodstocks is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of the broodstocks to be within 40 years based on their economic egg-laying lives and lifespan of the Asian Arowana which is believed to be in the region of 60 years. Changes to these bases could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

A 10% difference in the average useful lives of the broodstocks from management's estimates would result in approximately 7% variance in profit for the year.

3. REVENUE

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Sale of goods	32,522,389	38,082,561	-	-
Dividend income from subsidiaries	-	-	1,000,000	2,500,000
Management fees from subsidiaries	-	-	288,000	288,000
	32,522,389	38,082,561	1,288,000	2,788,000

4. OTHER INCOME

Included in other income of the Group was gain on disposal of property, plant and equipment amounting to RM28,895 (2007: Nil).

5. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Wages and salaries	2,621,997	2,655,749	298,000	359,000
Social security contributions	24,618	25,106	1,597	2,123
Defined contribution plan	209,212	247,881	16,320	23,640
Other benefits	439,157	356,971	19,700	24,180
	3,294,984	3,285,707	335,617	408,943

Included in staff costs of the Group and of the Company are fees and other emoluments paid to directors of the Company amounting to RM1,137,040 (2007: RM1,362,560) and RM339,320 (2007: RM339,440) respectively as further disclosed in Note 6.

6. DIRECTORS' REMUNERATION

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Executive directors (Note 5):				
Fees	10,000	10,000	10,000	10,000
Other emoluments	1,127,040	1,352,560	329,320	329,440
	1,137,040	1,362,560	339,320	339,440
Non-Executive directors:				
Fees	241,000	241,000	241,000	241,000
Total directors' remuneration	1,378,040	1,603,560	580,320	580,440
Estimated money value of benefits-in-kind	52,000	52,000	-	-
Total directors' remuneration including benefits-in-kind	1,430,040	1,655,560	580,320	580,440

The details of remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Executive:				
Salaries and other emoluments	577,000	743,500	313,000	311,500
Fees	10,000	10,000	10,000	10,000
Defined contribution plan	36,480	58,260	16,320	17,940
Estimated money value of benefits-in-kind	35,600	35,600	-	-
	659,080	847,360	339,320	339,440
Non-executive:				
Fees	241,000	241,000	241,000	241,000
	900,080	1,088,360	580,320	580,440

The number of directors of the Company whose total remuneration during the year fell within the following bands is analysed below:

	Number of Directors	
	2008	2007
Executive directors:		
Below RM50,000	-	1
RM50,001 - RM100,000	1	1
RM100,001 - RM150,000	3	1
RM150,001 - RM200,000	1	1
RM200,001 - RM250,000	-	1
RM250,001 - RM300,000	-	1
Non-Executive directors:		
Below RM50,000	4	4
RM50,001 - RM100,000	1	1

Notes To The Financial Statements

31 January 2008



7. OTHER EXPENSES

Included in other expenses are:

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Auditors' remuneration:				
- current year	68,000	68,000	27,000	27,000
- underprovision in prior year	16,500	-	12,000	-
- other services	10,000	10,000	10,000	10,000
Directors' fees	251,000	251,000	251,000	251,000
Write-off of inventories	-	222,791	-	-
Provision for doubtful debts	-	27,300	-	-
Provision for slow moving inventories	13,761	-	-	-
Unrealised loss on foreign exchange	-	110,229	-	-
Realised (gain)/loss on foreign exchange	(73,359)	367,193	-	-
Rental expense:				
- premises	102,260	76,000	-	-
- land	20,000	21,667	-	-
- equipment	720	720	-	-

8. FINANCE COSTS

Included in finance costs are:

	Group	
	2008 RM	2007 RM
Interest expense on:		
- bank overdrafts	2,226,563	2,168,145
- term loans	175,447	152,000
- hire purchase	25,513	36,460
	<u>2,427,523</u>	<u>2,356,605</u>

9. INCOME TAX EXPENSE

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Malaysian income tax:				
Current income tax	73,948	101,176	260,000	675,000
Underprovision in prior years	2,870	63,208	-	-
	<u>76,818</u>	<u>164,384</u>	<u>260,000</u>	<u>675,000</u>
Deferred tax (Note 20):				
Relating to origination and reversal of temporary differences	1,205,148	2,916,590	-	-
Relating to changes in tax rates	(808,275)	(1,065,720)	-	-
Underprovision in prior years	5,989	296,081	-	-
	<u>402,862</u>	<u>2,146,951</u>	<u>-</u>	<u>-</u>
Total income tax expense	<u>479,680</u>	<u>2,311,335</u>	<u>260,000</u>	<u>675,000</u>

9. INCOME TAX EXPENSE (Cont'd)

Domestic income tax is calculated at the Malaysian statutory tax rate of 26% (2007: 27%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 25% from the current year's rate of 26%, effective year of assessment 2009. The computation of deferred tax as at 31 January 2008 has reflected these changes. The Group's subsidiary companies qualify for the reduced statutory tax rate of 20% (2007: 20%) on the first RM500,000 (2007: RM500,000) estimated assessable profit during the year.

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and the Company is as follows:

	2008 RM	2007 RM
Group		
Profit before tax	2,214,167	9,339,104
Taxation at Malaysian statutory tax rate of 26% (2007: 27%)	575,683	2,521,558
Effect of income subject to tax rate of 20% (2007: 20%)	(22,184)	(35,000)
Effect of changes in tax rates on balance of deferred tax	(808,275)	(1,065,720)
Expenses not deductible for tax purposes	484,149	618,125
Utilisation of previously unabsorbed capital allowances	-	(124,579)
Deferred tax assets not recognised during the year	241,448	37,662
Underprovision of deferred tax in prior years	5,989	296,081
Underprovision of tax expense in prior years	2,870	63,208
Tax expense for the year	479,680	2,311,335
Company		
Profit before tax	513,698	1,955,902
Taxation at Malaysian statutory tax rate of 26% (2007: 27%)	133,561	528,093
Expenses not deductible for tax purposes	126,439	146,907
Tax expense for the year	260,000	675,000

In prior year, Malaysian companies adopt the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance as at 31 January 2008 to distribute cash dividend payments to ordinary shareholders as defined under the Finance Act 2007. As at 31 January 2008, the Company has sufficient credit in the 108 balance to pay franked dividends out of its entire retained earnings.

Notes To The Financial Statements

31 January 2008



10. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2008 RM	2007 RM
Profit for the year (RM)	1,734,487	7,027,769
Weighted average number of ordinary shares, excluding treasury shares, in issue (no.)	72,438,823	72,695,536
Basic earnings per share (sen)	2.4	9.7

(b) Diluted

Diluted earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The outstanding share options have been excluded from the computation of diluted earnings per share as the options have an antidilutive effect where the average market price of ordinary shares during the period and as at balance sheet date is below the option grant price of RM1.68 per share. Accordingly, the diluted earnings per share equal to its basic earnings per share.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

11. PROPERTY, PLANT AND EQUIPMENT

Group	* Freehold land, planting expenditure, workers' quarters, buildings, shop houses and renovation RM	Broodstocks RM	Land development expenditure, fish ponds, roads and, drainage, tools and equipment RM	Motor vehicles, office equipment, furniture and fittings RM	Construction work in progress RM	Total RM
Cost						
At 1 February 2007	24,731,987	64,084,589	107,766,072	3,791,346	23,810,276	224,184,270
Additions	441,474	-	7,423,286	49,069	11,741,000	19,654,829
Disposals	-	-	-	(102,200)	-	(102,200)
Reclassification	-	-	23,810,276	-	(23,810,276)	-
At 31 January 2008	25,173,461	64,084,589	138,999,634	3,738,215	11,741,000	243,736,899
Accumulated Depreciation						
At 1 February 2007	973,546	10,460,359	41,372,084	3,049,338	-	55,855,327
Depreciation charge for the year	187,573	1,595,115	10,389,218	272,045	-	12,443,951
Disposals	-	-	-	(89,295)	-	(89,295)
At 31 January 2008	1,161,119	12,055,474	51,761,302	3,232,088	-	68,209,983
Net Carrying Amount	24,012,342	52,029,115	87,238,332	506,127	11,741,000	175,526,916

11. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group	* Freehold land, planting expenditure, workers' quarters, buildings, shop houses and renovation RM	Broodstocks RM	Land development expenditure, fish ponds, roads and drainage, tools and equipment RM	Motor vehicles, office equipment, furniture and fittings RM	Construction work in progress RM	Total RM
Cost						
At 1 February 2006	24,731,987	64,084,589	87,493,176	3,522,637	24,109,176	203,941,565
Additions	-	-	520,896	268,709	19,453,100	20,242,705
Reclassification	-	-	19,752,000	-	(19,752,000)	-
At 31 January 2007	24,731,987	64,084,589	107,766,072	3,791,346	23,810,276	224,184,270
Accumulated Depreciation						
At 1 February 2006	799,036	8,809,244	30,733,942	2,764,860	-	43,107,082
Depreciation charge for the year	174,510	1,651,115	10,638,142	284,478	-	12,748,245
At 31 January 2007	973,546	10,460,359	41,372,084	3,049,338	-	55,855,327
Net Carrying Amount	23,758,441	53,624,230	66,393,988	742,008	23,810,276	168,328,943

* Freehold land, planting expenditure, worker quarters, buildings, shop houses and renovation comprise the following:

Group	Freehold land RM	Planting expenditure RM	Workers quarters RM	Buildings, shop houses and renovation RM	Total RM
Cost					
At 1 February 2007	19,473,138	819,658	1,392,114	3,047,077	24,731,987
Additions	-	-	-	441,474	441,474
At 31 January 2008	19,473,138	819,658	1,392,114	3,488,551	25,173,461
Accumulated Depreciation					
At 1 February 2007	-	191,210	206,556	575,780	973,546
Depreciation charge for the year	-	32,786	27,767	127,020	187,573
At 31 January 2008	-	223,996	234,323	702,800	1,161,119
Net Carrying Amount	19,473,138	595,662	1,157,791	2,785,751	24,012,342
Cost					
At 1 February 2006/31 January 2007	19,473,138	819,658	1,392,114	3,047,077	24,731,987
Accumulated Depreciation					
At 1 February 2006	-	158,424	178,526	462,086	799,036
Depreciation charge for the year	-	32,786	28,030	113,694	174,510
At 31 January 2007	-	191,210	206,556	575,780	973,546
Net Carrying Amount	19,473,138	628,448	1,185,558	2,471,297	23,758,441

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11. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(a) In prior year, the Group acquired property, plant and equipment with an aggregate cost of RM20,242,705 of which RM210,500 were acquired by means of hire purchase arrangements and the balance via cash payments.

(b) Included in the property, plant and equipment are motor vehicles held under hire purchase arrangements as follows:

	2008 RM	2007 RM
Cost	2,457,649	2,457,649
Net carrying amount	243,122	450,933

(c) The net carrying amounts of property, plant and equipment pledged to banks for term loans granted to the Group as referred to in Note 16 are as follows:

	2008 RM	2007 RM
Freehold land	13,454,113	13,454,113
Buildings and shop houses	2,021,312	2,067,159
Fish ponds, tools and equipment	1,825,286	2,146,121
Office equipment, furniture and fittings	105,618	107,555

(d) Included in property, plant and equipment of the Group are fully depreciated assets which are still in use costing RM5,400,747 (2007: RM4,559,088).

12. INVESTMENTS IN SUBSIDIARIES

	Company	
	2008 RM	2007 RM
Unquoted shares, at cost	50,000,000	50,000,000

Details of the subsidiaries, which are incorporated in Malaysia and have similar financial year ends with the Company, are as follows:

Name of Subsidiaries	Paid-up Share Capital RM	Effective Interest Held		Principal Activities
		2008 %	2007 %	
Xian Leng Trading Sdn. Bhd.	100,000	100	100	Commercial captive breeding of Asian Arowana and other ornamental fishes and property holding.
Xian Leng Aquatic Merchant Sdn. Bhd.	50,002	100	100	Trading of ornamental fishes, aquarium accessories and property holding.
Xian Leng Aquatic (Shah Alam) Sdn. Bhd.	2,000,000	100	100	Supplying and operating aquariums and trading of ornamental fishes and aquarium accessories.
Xian Leng Aquatic (Kluang) Sdn. Bhd.	1,000,000	100	100	Breeding & rearing of fishes and trading of aquaculture products.

13. INVENTORIES

	Group	
	2008 RM	2007 RM
Cost		
Livestocks	4,517,908	6,108,456
Consumables and aquarium accessories	3,165,807	2,508,193
	<u>7,683,715</u>	<u>8,616,649</u>

The cost of inventories recognised as an expense during the financial year in the Group amounted to RM9,458,751 (2007: RM6,814,383).

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Trade receivables	1,238,158	6,477,257	-	-
Less: Provision for doubtful debts	(98,693)	(98,693)	-	-
Trade receivables, net	<u>1,139,465</u>	<u>6,378,564</u>	<u>-</u>	<u>-</u>
Other receivables:				
Due from subsidiaries	-	-	23,792,973	23,607,879
Dividend receivable	-	-	740,000	1,825,000
Deposits	184,921	51,546	1,000	1,000
Prepayments	82,336	289,380	7,437	6,250
Sundry receivables	152,073	15,713	-	-
	<u>419,330</u>	<u>356,639</u>	<u>24,541,410</u>	<u>25,440,129</u>
	<u>1,558,795</u>	<u>6,735,203</u>	<u>24,541,410</u>	<u>25,440,129</u>

The Group's normal trade credit term ranges from 30 to 90 (2007: 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

As at balance sheet date, the Group has no significant concentration of credit risk in the form of outstanding balances whilst in prior year, concentration of credit risk arose from 5 customers representing approximately 81% of trade receivables.

The amounts due from subsidiaries are unsecured, interest free and have no fixed term of repayments.

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Cash and bank balances	1,054,823	1,356,591	31,500	58,195
Bank overdrafts (Note 16)	(26,778,070)	(25,732,161)	-	-
Cash and cash equivalents	<u>(25,723,247)</u>	<u>(24,375,570)</u>	<u>31,500</u>	<u>58,195</u>

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16. BORROWINGS

	Group	
	2008 RM	2007 RM
Secured:		
Short Term Borrowings		
Bank overdrafts (Note 15)	26,778,070	25,732,161
Hire purchase payables (Note 19)	117,662	166,764
Term loans	214,794	982,233
	27,110,526	26,881,158
Long Term Borrowings		
Hire purchase payables (Note 19)	207,938	325,600
Term loans	2,129,280	2,372,707
	2,337,218	2,698,307
Total Borrowings		
Bank overdrafts (Note 15)	26,778,070	25,732,161
Hire purchase payables (Note 19)	325,600	492,364
Term loans	2,344,074	3,354,940
	29,447,744	29,579,465
Maturity of borrowings (excluding hire purchase):		
Within one year	26,992,864	26,714,394
More than 1 year and less than 2 years	148,762	214,794
More than 2 years and less than 5 years	1,980,518	2,157,913
	29,122,144	29,087,101

The borrowings are secured by the following:

- (a) Fixed charges over certain parcels of freehold land held by the Group as disclosed in Note 11;
- (b) First legal charge over all property, plant and equipment of a subsidiary;
- (c) Joint and several guarantees by certain directors of the Company; and
- (d) Corporate guarantees by the Company and a subsidiary.

The weighted average effective interest rates as at the balance sheet date for borrowings, excluding hire purchase payables, were as follows:

	Group	
	2008 %	2007 %
Bank overdrafts	8.28	8.25
Term loans	8.25	7.47

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Trade payables	345,530	53,146	-	-
Other payables:				
Accruals	979,868	468,805	33,868	46,782
Sundry payables	288,506	185,821	2,684	-
	1,268,374	654,626	36,552	46,782
	1,613,904	707,772	36,552	46,782

The normal trade credit term granted to the Group ranges from 30 to 90 (2007: 30 to 90) days.

18. SHARE CAPITAL

	Number of Ordinary Shares of RM1 Each		Amount	
	2008	2007	2008 RM	2007 RM
At beginning/end of year:				
Authorised	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid	72,704,500	72,704,500	72,704,500	72,704,500

The holder of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(a) Employee Share Option Scheme ("ESOS")

The Company implemented an ESOS which is governed by the by-laws and was approved by the shareholders at an Extraordinary General Meeting held on 25 June 2003. The main features of the ESOS are as follows:

- (i) The ESOS shall be in force for a period of ten years from the date of the receipt of the last of the requisite approvals.
- (ii) Eligible persons are employees of the Group (including executive directors) who have been confirmed in the employment of the Group and have served for at least one year before the date of the offer. The eligibility for participation in the ESOS shall be at the discretion of the Options Committee appointed by the Board of Directors.
- (iii) The total number of shares to be offered shall not exceed in aggregate 10% of the issued share capital of the Company at any point during the tenure of the ESOS.
- (iv) The option price for each share shall be the average of the mean market quotation of the shares of the Company in the daily official list issued by the Bursa Malaysia Securities Berhad for the five trading days preceding the date of offer, or the par value of the shares of the Company of RM1, whichever is the higher.
- (v) No option shall be granted for less than 100 shares nor more than 724,200 shares to an eligible employee.
- (vi) An option granted under the ESOS shall be capable of being exercised by the grantee by notice in writing to the Company commencing from the date of the offer but before the expiry of ten years from the date of the receipt of the last of the requisite approvals.

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18. SHARE CAPITAL (Cont'd)

(a) Employee Share Option Scheme ("ESOS") (Cont'd)

(vii) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company other than as may be specified in a resolution approving the distribution of dividends prior to their exercise dates.

(viii) The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

Information with respect to the number of options granted under the ESOS is as follows:

	2008 RM	2007 RM
At the beginning of year	5,846,500	5,846,500
Exercised	-	-
At end of year	5,846,500	5,846,500

The terms of share options outstanding at the beginning/end of the financial year are as follows:

Exercise Period	Exercise Price RM	Number of Share Options
25.8.2004 - 24.8.2013	1.68	5,846,500

(b) Treasury Shares

This amount relates to the acquisition cost of treasury shares net of the proceeds received on their subsequent sale or issuance.

The shareholders of the Company, by a resolution passed at the 8th annual general meeting held on 28 June 2007, renewed their approval for the Company's plan to repurchase its own ordinary shares. The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 86,000 (2007: 215,000) of its issued ordinary shares from the open market at an average price of RM0.78 (RM0.83) per share. The total consideration paid for the repurchase was RM67,672 (2007: RM178,159), comprising of consideration paid amounting to RM67,165 (2007: RM176,846) and transaction cost of RM507 (2007: RM1,313). The repurchase transactions were financed by internally generated funds.

All shares repurchased were being held as treasury shares in accordance with Section 67A of the Companies Act, 1965. There had been no resale of treasury shares and no cancellation of shares bought back during the financial year.

19. HIRE PURCHASE PAYABLES

	Group	
	2008 RM	2007 RM
Minimum hire purchase payments:		
Not later than 1 year	133,399	192,276
Later than 1 year and not later than 2 years	103,968	133,399
Later than 2 years and not later than 5 years	116,854	197,998
Later than 5 years	3,768	26,592
	357,989	550,265
Less: Future finance charges	(32,389)	(57,901)
Present value of hire purchase liabilities	325,600	492,364
Present value of hire purchase liabilities:		
Not later than 1 year	117,662	166,764
Later than 1 year and not later than 2 years	94,388	117,664
Later than 2 years and not later than 5 years	109,790	182,107
Later than 5 years	3,760	25,829
	325,600	492,364
Analysed as:		
Due within 12 months (Note 16)	117,662	166,764
Due after 12 months (Note 16)	207,938	325,600
	325,600	492,364

The hire purchase liabilities attracted weighted average effective interest at the balance sheet date at 3.25% (2007: 3.1%).

The Group has hire purchase contracts for motor vehicles (see Note 11(b)). These leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the entity holding the lease. There are no restrictions placed upon the Group by entering into these leases and no arrangements have been entered into for contingent rental payments.

20. DEFERRED TAX LIABILITIES

	Group	
	2008 RM	2007 RM
At beginning of year	15,260,281	13,113,330
Recognised in income statement (Note 9)	402,862	2,146,951
At end of year	15,663,143	15,260,281
Presented after appropriate offsetting as follows:		
Deferred tax assets	(150,597)	(166,349)
Deferred tax liabilities	15,813,740	15,426,630
	15,663,143	15,260,281

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20. DEFERRED TAX LIABILITIES (Cont'd)

Deferred Tax (Assets)/Liabilities:

	Accelerated capital allowances RM	Unutilised agricultural allowances RM	Total RM
At 1 February 2007	15,426,630	(166,349)	15,260,281
Recognised in income statement	387,110	15,752	402,862
At 31 January 2008	15,813,740	(150,597)	15,663,143
At 1 February 2006	13,297,061	(183,731)	13,113,330
Recognised in income statement	2,129,569	17,382	2,146,951
At 31 January 2007	15,426,630	(166,349)	15,260,281

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2008 RM	2007 RM
Unused tax losses	-	110,899
Unabsorbed capital allowances	965,792	37,663

The unused tax losses and unabsorbed capital allowances carried forward are available indefinitely for offset against future taxable profits of the subsidiaries subject to no substantial changes in the shareholdings of the individual entity under Section 44(5A) and (5B) of Income Tax Act, 1967.

21. DIVIDENDS

	Amount		Net Dividends per Share	
	2008 RM	2007 RM	2008 RM	2007 RM
First and final dividend of 2.5% less 27% taxation, declared on 4 June 2007, paid on 9 July 2007	1,322,206	-	1.8	-
First and final dividend of 4.5% less 28% taxation, declared on 21 June 2006, paid on 7 July 2006	-	2,355,626	-	3.2

At the forthcoming Annual General Meeting, a first and final dividend in respect of the current financial year ended 31 January 2008, of 1.00% less 25% taxation on 72,403,500 ordinary shares, amounting to RM543,026 (0.75 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the next financial year ending 31 January 2009.

22. CAPITAL COMMITMENT

	Group	
	2008 RM	2007 RM
Property, plant and equipment: Approved but not contracted for	15,850,000	20,000,000

23. CONTINGENT LIABILITIES

	Company	
	2008 RM	2007 RM
Unsecured:		
Corporate guarantees given to financial institutions for credit facilities granted to subsidiaries	29,122,144	29,087,101

24. FINANCIAL INSTRUMENTS**(a) Financial Risk Management Objectives and Policy**

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, foreign exchange, liquidity and credit risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is to not engage in speculative transactions.

(b) Interest Rate Risk

The Group's primary interest rate risk relates to interest-bearing debt, as the Group had no long-term interest-bearing assets as at 31 January 2008.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

(c) Foreign Exchange Risk

The Group is not significantly exposed to foreign currency risk except for exchange risks relating to the United State Dollar arising from its operating activities in the current and previous financial years. Foreign exchange exposures in transactional currencies other than functional currencies of the Group are kept to an acceptable level. The Company is not exposed to foreign currency risk. The net unhedged financial assets and financial liabilities of the Group as at 31 January 2008 that are not denominated in their functional currencies are as follows:

Functional Currency	Group	
	2008 RM	2007 RM
Trade Receivables:		
United States Dollar	53,280	5,125,133

(d) Liquidity Risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position.

(e) Credit Risk

Credit risks, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

As at balance sheet date, the Group has no significant concentration of credit risk in the form of outstanding balances whilst in prior year, concentration of credit risk arose from 5 customers representing approximately 81% of trade receivables.

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24. FINANCIAL INSTRUMENTS (Cont'd)

(f) Fair Values

The aggregate net fair values of financial liabilities which are not carried at fair value on the balance sheets of the Group as at the end of the financial year are as follows:

Financial Liabilities:	Group	
	Carrying Amount RM	Fair Value RM
At 31 January 2008:		
Term loans (Note 16)	2,344,074	2,502,531
Hire purchase (Note 19)	325,600	334,251
	<hr/>	<hr/>
At 31 January 2007:		
Term loans (Note 16)	3,354,940	3,305,685
Hire purchase (Note 19)	492,364	484,926
	<hr/>	<hr/>

25. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in the financial statements, the Company had the following transactions with its subsidiaries during the financial year:

Subsidiaries:	Company	
	2008 RM	2007 RM
Settlement of liabilities on behalf by	-	2,300
Settlement of liabilities on behalf of	(24,532,973)	(25,435,179)
	<hr/>	<hr/>


Information regarding outstanding balances with subsidiaries is disclosed in Note 14.

(b) Compensation of key management personnel

All executive directors of the Company represent the key management personnel of the Group and the Company. The remuneration paid to executive directors are disclosed in Note 6.

26. SEGMENTAL REPORTING

No segmental reporting is provided as the Group's activities are predominantly in the breeding and trading of ornamental fishes and are conducted in Malaysia.



Description of Properties

The Top 10 land and buildings in terms of highest net book value owned by XLB Group are as follows:

Location	Tenure	Land area/ built-up area Acre.Rood. Pole	Description/ existing use	Net Book value as at 31.1.2008 (RM)	Date of Acquisition
1. EMR 2963, Lot No. 7902 Parit Sabak, Mukim Sri Medan (XVIII) Daerah Batu Pahat Johor Darul Takzim	Freehold	6.3.08 6.80 ac.	Agriculture land & Building (10 years old)	3,769,080	09.09.1999
2. EMR 3801, Lot No. 7896 Parit Sabak, Mukim Sri Medan (XVIII) Daerah Batu Pahat Johor Darul Takzim	Freehold	8.3.38 8.99 ac.	Agriculture land	3,366,060	07.09.1999
3. HS(M) 877, QT(M) 22 Lot No. 5918 and 1184, Sungai Suloh, Mukim Minyak Beku (IX) Daerah Batu Pahat Johor Darul Takzim	Freehold	4.0.20 4.13 ac.	Agriculture land & Building (11 years old)	2,055,937	23.12.1989
4. EMR 309, 3704 Lot No. 7895 and 6368, Parit Sabak, Mukim Sri Medan (XVIII) Daerah Batu Pahat Johor Darul Takzim	Freehold	11.1.21 11.45 ac.	Agriculture land	1,520,400	04.07.1994
5. EMR 4040, Lot No. 7903 Parit Talep, Mukim Sri Medan (XVIII) Daerah Batu Pahat Johor Darul Takzim	Freehold	1.3.27 1.92 ac.	Agriculture land	945,530	09.09.1999
6. H.S.(D)No.27447,27448, 27449, 27450, 27451, 27452, P.T.D. No.4086, 4087, 4088, 4089, 4090 ,4091. Mukim Bandar Penggaram Daerah Batu Pahat Johor Daru Takzim	Freehold	0.1.12 0.33 ac.	Vacant land	786,995	29.03.2002
7. EMR 3674, Lot No. 7448 Parit Jidin, Mukim Sri Medan(XVIII) Daerah Batu Pahat Johor Darul Takzim	Freehold	7.1.39 7.49 ac.	Agriculture land	613,995	13.05.1998
8. GM 231, Lot No. 8356 Mukim Sri Medan Daerah Batu Pahat Johor Darul Takzim	Freehold	7.1.35 7.47 ac.	Agriculture land	597,500	16.09.2000
9. HS(D) 38342 PTB.4543 Bandar Penggaram Daerah Batu Pahat, Johor Darul Takzim	Freehold	1,650 sq. ft	3-Storey Shop office building (8 years old)	428,491	15.06.2001
10. HS(M) 130, Lot No. MLO 79 Mukim Bekok, Daerah Segamat Johor Darul Takzim	Freehold	10.0.00 10.00 ac.	Agriculture land	419,390	07.07.1997

Analysis of Shareholdings

As At 15 May 2008



Class of Shares	:	Ordinary Shares of RM1.00 each	
Share Capital	:	Authorised	RM100,000,000
		Issued & Fully Paid Up	RM72,704,500
Voting Rights	:	1 Vote Per Share	
Number of Holders	:	1,735	

Distribution of Shareholdings

No. of Holders	Holdings	Total Holdings	Percentage (%)
11	1 - 99	510	0.00
491	100 - 1,000	261,150	0.36
909	1,001 - 10,000	4,075,290	5.64
278	10,001 - 100,000	8,096,950	11.18
42	100,001 - 3,620,174(*)	17,060,300	23.56
4	3,620,175 and above (**)	42,909,300	59.26
1,735		72,403,500 ¹	100.00

Remark : * Less than 5% of issued shares
 ** 5% and above of issued shares

1. Excluding a total of 301,000 XLB shares bought-back by XLB and retained as treasury shares as at 15 May 2008.

List of 30 Largest Shareholdings

No.	Name	No. of shares held	Percentage (%) of issued capital*
1	Ng Huan Tong	16,905,000	23.35
2	Lim Wan Hong	16,903,500	23.35
3	Chua Bah Bee @ Chua Chong Seng	4,965,500	6.86
4	The Best Source Holdings Pte Ltd	4,135,300	5.71
5	Amsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Tey Rose	2,642,800	3.65
6	Mayban Nominees (Tempatan) Sdn. Bhd. Malaysian Trustees Berhad For AMB Smallcap Trust Fund (240165)	1,208,000	1.67
7	Lin ZhongPeng	1,162,700	1.61
8	Yung Hok Leung	1,035,200	1.43
9	Amsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Kelvin Lim Teck Kwang	1,002,000	1.38
10	Azmi Bin Abdullah	1,000,000	1.38
11	ECML Nominees (Asing) Sdn.Bhd. Kuroko Company Limited	900,000	1.24
12	Citigroup Nominees (Tempatan) Sdn. Bhd. Pledge Securities Account For Tey Rose (473581)	889,000	1.23
13	Yew Siew Fen	461,400	0.64
14	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account For Kelvin Lim Teck Kwang (SFC)	441,500	0.61
15	Tabung Amanah Warisan Negeri Johor	437,000	0.60
16	M.I.T Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Tan Chen Yan (MG0036-199)	430,600	0.59
17	Lin Hai Moh @ Lin See Yan	385,000	0.53
18	Citigroup Nominees (Tempatan) Sdn. Bhd. Pledge Securities Account For Yap Tai Moi (471142)	328,000	0.45
19	Musa @ Ayob Bin Saad	316,500	0.44
20	ECML Nominees (Asing) Sdn. Bhd. Solis China Ltd	300,000	0.41
21	Makita Masazumi	300,000	0.41
22	Tan Bee Toh	285,700	0.39
23	Sun Hua Shun	202,200	0.28
24	Ng Choon Hiong	201,000	0.28
25	Mitigation System (M) Sdn. Bhd.	200,000	0.28
26	Yeo Tiow Tiong Holdings Sendirian Berhad	200,000	0.28

Analysis of Shareholdings

As At 15 May 2008

List of 30 Largest Shareholdings (Cont'd)

No.	Name	No. of shares held	Percentage (%) of issued capital*
27	Tan Teck Chong	185,900	0.26
28	Khoo Hai Chew	185,000	0.26
29	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account For Lee Yu Yong @ Lee Yuen Ying	168,500	0.23
30	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Lee Kua Siah (E-JBU)	168,000	0.23

Note :

* Excluding a total of 301,000 XLB shares bought-back by XLB and retained as treasury shares as at 15 May 2008.

List of Substantial Shareholders

	Direct Interest		Indirect Interest	
	No. of shares held	% of Issued capital *	No. of shares held	% of Issued capital *
Ng Huan Tong	16,905,000	23.35	16,903,500 ¹	23.35
Lim Wan Hong	16,903,500	23.35	16,915,000 ²	23.36
Chua Bah Bee @ Chua Chong Seng	4,965,500	6.86	20,000 ³	0.03
The Best Source Holdings Pte Ltd	4,135,300	5.71	0	0.00

Note :

* Excluding a total of 301,000 XLB shares bought-back by XLB and retained as treasury shares as at 15 May 2008.

1. Deemed interest by virtue of his spouse, Lim Wan Hong's shareholdings in the Company.

2. Deemed interest by virtue of her spouse, Ng Huan Tong's and her sisters, Lim Chai Hong's and Lim Choon Hong's shareholdings in the Company.

3. Deemed interest by virtue of his daughter, Chua Ee Chien's shareholding in the Company

List of Directors' Shareholdings in the Company

	Direct Interest		Indirect Interest	
	No. of shares held	% of Issued capital *	No. of shares held	% of Issued capital *
Tan Sri Dato' Mohd Desa Bin Pachi	Nil	0.00	Nil	0.00
Ng Huan Tong	16,905,000	23.35	16,903,500 ¹	23.35
Lim Wan Hong	16,903,500	23.35	16,915,000 ²	23.36
Chua Bah Bee @ Chua Chong Seng	4,965,500	6.86	20,000 ³	0.03
Mohamed Shafeii Bin Abdul Gaffoor	Nil	0.00	Nil	0.00
Tan Cheng Kiat	15,000	0.02	Nil	0.00
Dominic Lim Kuan Wee	Nil	0.00	Nil	0.00
Chen Shih Hsie	Nil	0.00	Nil	0.00
Choy Siew Kiong	Nil	0.00	Nil	0.00
Ismail Taufid Bin Md Yusoff	Nil	0.00	Nil	0.00

Note :

* Excluding a total of 301,000 XLB shares bought-back by XLB and retained as treasury shares as at 15 May 2008.

1. Deemed interest by virtue of his spouse, Lim Wan Hong's shareholdings in the Company.

2. Deemed interest by virtue of her spouse, Ng Huan Tong's and her sisters, Lim Chai Hong's and Lim Choon Hong's shareholdings in the Company.

3. Deemed interest by virtue of his daughter, Chua Ee Chien's shareholding in the Company

Notice of Annual General Meeting



NOTICE IS HEREBY GIVEN THAT the Ninth Annual General Meeting of Xian Leng Holdings Berhad will be held at Garden Hotel, Orkid Hall, Level 9, No. 29, Jalan Jenang, 83000 Batu Pahat, Johor Darul Takzim, Malaysia on Thursday, 26 June 2008 at 12.00 p.m. for the following purposes:-

AGENDA

ORDINARY BUSINESS

- | | Resolution on
Proxy Form |
|--|-----------------------------|
| 1. To receive and consider the Audited Financial Statements for the year ended 31 January 2008 and the Reports of the Directors and Auditors thereon. | (Resolution 1) |
| 2. To declare a first and final dividend of 1% less 25% income tax in respect of the financial year ended 31 January 2008. | (Resolution 2) |
| 3. To approve the payment of Directors' fees of RM251,000 for the year ended 31 January 2008. | (Resolution 3) |
| 4. To re-elect the following Directors who retire pursuant to Article 84 of the Company's Articles of Association :- | |
| (a) Mr Chua Bah Bee @ Chua Chong Seng | (Resolution 4) |
| (b) Mr Tan Cheng Kiat | (Resolution 5) |
| (c) Mr Chen Shih Hsie | (Resolution 6) |
| 5. To consider and, if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965 | (Resolution 7) |
| "THAT pursuant to Section 129(6) of the Companies Act, 1965, Tan Sri Dato' Mohd Desa Bin Pachi be and is hereby re-appointed Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company." | |
| 6. To re-appoint Messrs. Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. | (Resolution 8) |

SPECIAL BUSINESS:

To consider and if thought fit, to pass the following Resolutions with or without modifications:-

- | | |
|--|-----------------|
| 7. ORDINARY RESOLUTION 1
AUTHORITY PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 FOR ESOS | (Resolution 9) |
| "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised with full powers to issue shares in the Company from time to time under the existing Employees' Share Option Scheme of the Company ('the Scheme') provided that the aggregate number of the shares to be issued pursuant to this resolution does not exceed the amount approved under the Scheme and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad (Bursa Securities) for the listing and quotation for the additional shares so issued." | |
| 8. ORDINARY RESOLUTION 2
AUTHORITY PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 | (Resolution 10) |
| "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10 per centum of the issued share capital of the Company for the time being, subject always to the approvals of all the relevant Regulatory Authorities being obtained for such issue and allotment." | |



Notice of Annual General Meeting

9. **ORDINARY RESOLUTION 3
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE TO PURCHASE XIAN LENG
HOLDINGS BERHAD'S OWN SHARES**

(Resolution 11)

"THAT subject to the provisions the Companies Act, 1965 ("Act"), the Articles of Association of the Company, the regulations and guidelines issued from time to time by Bursa Malaysia Securities Berhad ("Bursa Securities") or any other regulatory authorities, the Directors be and are hereby authorised to utilize an amount not exceeding the total audited share premium and retained profits of the Company as at 31 January 2008 of RM135,660 and RM70,682,037 respectively to purchase such number of ordinary shares of the Company provided that the ordinary shares so purchased shall [in aggregate with the treasury shares as defined under section 67A of the Act ("Treasury Shares") then still held by the Company] not exceeding ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being AND THAT such authority shall commence upon the passing of this resolution until the conclusion of the next annual general meeting of the Company unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting AND THAT the Directors may cancel the ordinary shares so purchased or to retain the same as Treasury Shares and may distribute the Treasury Shares as share dividend or may resell the same in a manner they deem fit and expedient as prescribed by the Act and the applicable regulations and guidelines of Bursa Securities and any other relevant authorities for the time being in force AND THAT authority be and is hereby given to the Directors to take all such steps to implement, finalise and to give effect to the aforesaid transactions with full power to assent to any conditions, modifications, variations and amendments as may be imposed by the relevant authorities and to do all such acts and things and upon such terms and conditions as the Directors may in their discretion deem fit and expedient in the best interest of the Company in accordance with the aforesaid Act, regulations and guidelines."

10. To transact any other business of which due notice shall have been given.

Notice of Annual General Meeting



NOTICE OF ENTITLEMENT DATE AND DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT the proposed first and final dividend of 1% less 25% income tax in respect of the financial year ended 31 January 2008, if approved, will be paid on 7 July 2008 to depositors registered in the Record of Depositors at the close of business on 27 June 2008.

A depositor shall qualify for entitlement only in respect of:-

- (a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 27 June 2008 in respect of ordinary transfers; and
- (b) Shares bought on the Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

BY ORDER OF THE BOARD,

YONG MAY LI (f)
NG POH CHOO (f)
Company Secretaries

Johor Bahru
3 June 2008

NOTES:-

1. A member of the Company entitled to attend and vote at the meeting may appoint a proxy or proxies (but not more than two) to attend and vote in his/her stead. A proxy may but need not be a member of the Company.
2. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her holding to be represented by each proxy.
3. A member of the Company who is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991 is allowed to appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. The instrument appointing a proxy, in the case of an individual shall be signed by the appointor or his/her attorney duly authorised in writing and in the case of a corporation, either under seal or under the hand of an officer duly authorised. If no name is inserted in the space for the name of your proxy, the Chairman of the Meeting will act as your proxy.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company situated at Suite 15.03, Level 15, Menara MAA, No. 15, Jalan Dato' Abdullah Tahir, 80300 Johor Bahru, Johor Darul Takzim, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
6. **Explanatory Notes on Special Business**
 - a) **Ordinary Resolution 1**
AUTHORITY PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 FOR ESOS
The purpose of this Ordinary Resolution 1 proposed under item 7 is to enable the Directors of the Company to allot shares to those employees who have exercised their options under the Employees' Share Option Scheme.
 - b) **Ordinary Resolution 2**
AUTHORITY PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965
This Ordinary Resolution 2 proposed under item 8, if passed, will give the Directors of the Company, from the date of the above General Meeting, authority to allot and issue ordinary shares from the unissued capital of the Company being for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company at a General Meeting, expire at the next Annual General Meeting.
 - c) **Ordinary Resolution 3**
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE TO PURCHASE XIAN LENG HOLDINGS BERHAD'S OWN SHARES
The purpose of this Ordinary Resolution 3 proposed under item 9 is for the Proposed Renewal of Shareholder's Mandate to Purchase Xian Leng Holdings Berhad's Own Shares up to 10% of the Issued and Paid-up Ordinary Share Capital of the Company pursuant to Section 67A of the Companies Act, 1965

Please refer to the Circular to Shareholders dated 3 June 2008 attached for further information.



Statement Accompanying Notice of Annual General Meeting

1. Directors who are standing for re-election or re-appointment at the Ninth Annual General Meeting of Xian Leng Holdings Berhad ("XLB"):
 - (i) Under Article 84 of the Company's Articles of Association:
 - Mr Chua Bah Bee @ Chua Chong Seng
 - Mr Tan Cheng Kiat
 - Mr Chen Shih Hsie
 - (ii) Under Section 129(6) of the Companies Act, 1965:
 - Tan Sri Dato' Mohd Desa Bin Pachi
2. Further details of Directors standing for re-election and re-appointment are set out in the Directors' Profile appearing on pages 7 to 11 of the Annual Report.
3. Particulars of Directors' shareholdings are set out on page 56 of this Annual Report.

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I/We.....
of.....
being a member/members of XIAN LENG HOLDINGS BERHAD, hereby appoint
of.....
or failing him/her
of
or failing him/her/them, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Ninth Annual General Meeting of the Company to be held at Garden Hotel, Orkid Hall, Level 9, No. 29, Jalan Jenang, 83000 Batu Pahat, Johor Darul Takzim, Malaysia on Thursday, 26 June 2008 at 12.00 p.m and any adjournment thereof.-

	RESOLUTIONS		*FOR	*AGAINST
ORDINARY BUSINESS:-				
1.	ADOPTION OF DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS	- Resolution 1		
2.	APPROVAL OF FIRST & FINAL DIVIDEND OF 1% LESS 25% INCOME TAX	- Resolution 2		
3.	APPROVAL OF DIRECTORS' FEES	- Resolution 3		
4.	RE-ELECTION OF DIRECTORS PURSUANT TO ARTICLE 84:- (a) MR CHUA BAH BEE @ CHUA CHONG SENG (b) MR TAN CHENG KIAT (c) MR CHEN SHIH HSIE	- Resolution 4 - Resolution 5 - Resolution 6		
5.	RE-APPOINTMENT OF DIRECTOR PURSUANT TO SECTION 129(6):- - TAN SRI DATO' MOHD DESA BIN PACHI	- Resolution 7		
6.	RE-APPOINTMENT OF AUDITORS	- Resolution 8		
SPECIAL BUSINESS:-				
7.	ORDINARY RESOLUTION 1 AUTHORITY PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 FOR ESOS	- Resolution 9		
8.	ORDINARY RESOLUTION 2 AUTHORITY PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965	- Resolution 10		
9.	ORDINARY RESOLUTION 3 PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE TO PURCHASE XIAN LENG HOLDINGS BERHAD'S OWN SHARES	- Resolution 11		

(Please indicate with an "X" in the space provided and to show how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion).

Dated this.....day of.....2008

Signed

.....

No. of Ordinary Shares Held

NOTES:-

1. A member of the Company entitled to attend and vote at the meeting may appoint a proxy or proxies (but not more than two) to attend and vote in his/her stead. A proxy may but need not be a Member of the Company.
2. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her holding to be represented by each proxy.
3. A member of the Company who is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991 is allowed to appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. The instrument appointing a proxy, in the case of an individual shall be signed by the appointor or his/her attorney duly authorised in writing and in the case of a corporation, either under seal or under the hand of an officer duly authorised. If no name is inserted in the space for the name of your proxy, the Chairman of the Meeting will act as your proxy.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company situated at Suite 15.03, Level 15, Menara MAA, No. 15, Jalan Dato' Abdullah Tahir, 80300 Johor Bahru, Johor Darul Takzim, Malaysia, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

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**AFFIX
STAMP**

The Company Secretary
XIAN LENG HOLDINGS BERHAD
Suite 15.03, Level 15, Menara MAA,
No. 15, Jalan Dato' Abdullah Tahir,
80300 Johor Bahru, Johor Darul Takzim,
Malaysia

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