



KHONG GUAN FLOUR MILLING LIMITED

(Company Reg. No. 19600096G)

Full Year Financial Statement And Dividend Announcement for the Period Ended 31/07/2016

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP				
Income Statement	Notes	31/07/2016 S\$'000	31/07/2015 S\$'000	Increase/(Decrease) %
Revenue		58,708	62,036	(5.36)
Other income	1	289	918	(68.52)
Changes in short-term investments	2	(582)	18	NM
Changes in inventories		810	709	14.25
Purchases of short-term investments		(1,331)	(2,470)	(46.11)
Purchases of inventories		(51,901)	(53,130)	(2.31)
Employee benefits expense		(3,907)	(3,978)	(1.78)
Depreciation and amortisation expenses		(555)	(531)	4.52
Finance costs		(5)	(2)	150.00
Share of results of associates, net of tax		1,596	1,541	3.57
Other expenses	3	<u>(2,299)</u>	<u>(2,566)</u>	(10.41)
Profit before tax		823	2,545	(67.66)
Income tax expense	4	<u>(536)</u>	<u>(939)</u>	(42.92)
Profit for the financial year		<u>287</u>	<u>1,606</u>	(82.13)
Profit for the financial year attributable to :				
Equity holders of the company		58	1,235	(95.30)
Non-controlling interests		<u>229</u>	<u>371</u>	(38.27)
		<u>287</u>	<u>1,606</u>	(82.13)

NM - Not Meaningful

Statement of Comprehensive Income

GROUP		
	31/07/2016 S\$'000	31/07/2015 S\$'000
Profit for the financial year	287	1,606
Other comprehensive income :		
Items that may be subsequently reclassified to profit or loss:		
Fair value loss on long-term unquoted investments	0	(34)
Reclassification of fair value gain on disposal of long-term unquoted investments	0	(325)
Share of associates' capital reserve	36	11
Reclassification of translation differences on disposal of an associate	0	(127)
Translating differences relating to financial statements of foreign operations	<u>(2,875)</u>	<u>(2,963)</u>
Other comprehensive loss, net of tax	<u>(2,839)</u>	<u>(3,438)</u>
Total comprehensive income for the financial year	<u>(2,552)</u>	<u>(1,832)</u>
Total comprehensive income attributable to :		
Equity holders of the company	(2,591)	(1,994)
Non-controlling interests	<u>39</u>	<u>162</u>
	<u>(2,552)</u>	<u>(1,832)</u>

1(a)(ii) Profit for the financial year includes the following :-

	31/07/2016 S\$'000	31/07/2015 S\$'000
(a) Investment income	206	254
(b) Interest income	159	164
(c) Interest on borrowings	(5)	(2)
(d) Depreciation and amortisation expenses	(555)	(531)
(e) Allowance for doubtful receivables made and bad debts written off	(17)	(30)
(f) Write off for stock obsolescence	0	0
(g) Impairment loss on unquoted investments	0	0
(h) Foreign exchange loss	(284)	(396)
(i) Underprovision of tax in respect of prior years	0	2
(j) Profit on sale of quoted short-term investments	139	208
(k) Profit on disposal of long-term unquoted investments	0	325
(l) Profit on disposal of property, plant and equipment	32	90
(m) Fair value loss on short-term investments, unrealised	(812)	(1,047)

Notes :

1 Other income comprises :-

	31/07/2016 S\$'000	31/07/2015 S\$'000
Profit on disposal of long-term unquoted investments	0	325
Transport charges received	8	106
Rental received	13	82
Interest income and others	268	405
	<u>289</u>	<u>918</u>

Profit on disposal of long-term unquoted investments were made up as follows:-

Net sales proceeds	0	575
Cost	0	(250)
Surplus	0	325
Less		
Fair value gain taken up in prior years	0	359
Fair value loss for the current year	0	(34)
	<u>0</u>	<u>325</u>
	<u>0</u>	<u>0</u>

2 Changes in short-term investments were arrived at as follows :-

	31/07/2016 S\$'000	31/07/2015 S\$'000
Purchases	1,331	2,470
Cost of sales		
Cost of investments sold	(1,417)	(1,459)
Fair value loss, realised	316	54
	(1,101)	(1,405)
Fair value loss, unrealised	(812)	(1,047)
	<u>(582)</u>	<u>18</u>

3 Other expenses decreased because no Extraordinary General Meeting expenses were incurred during the current year.

4 Income tax expense

	31/07/2016 S\$'000	31/07/2015 S\$'000
Current taxation		
- Malaysian tax	602	939
- tax deducted at source	2	2
Underprovision for taxation in prior years	0	(2)
Deferred taxation	(68)	0
	<u>536</u>	<u>939</u>

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Notes	GROUP		COMPANY	
	31/07/2016 S\$'000	31/07/2015 S\$'000	31/07/2016 S\$'000	31/07/2015 S\$'000
ASSETS AND LIABILITIES				
Non-Current Assets				
	3,672	3,739	381	993
	1,599	1,792	0	0
1	5,111	4,217	5,111	4,217
	0	0	18,287	18,287
2	17,869	18,235	0	0
3	929	931	906	906
	29,180	28,914	24,685	24,403
Current Assets				
	6,489	6,175	0	29
4	7,265	7,847	0	0
	11,450	10,700	486	335
	336	225	200	135
	150	11	0	0
	0	0	5,277	4,973
	14,392	16,587	14,322	16,512
	3,097	4,810	825	1,638
	43,179	46,355	21,110	23,622
Less				
Current Liabilities				
	5,513	4,816	205	274
	889	822	510	524
	0	207	0	0
	6,402	5,845	715	798
Net Current Assets	36,777	40,510	20,395	22,824
Less				
Non-Current Liabilities				
	307	312	307	312
	515	577	0	0
	822	889	307	312
Net Assets	65,135	68,535	44,773	46,915
EQUITY				
	33,279	33,279	33,279	33,279
	140	104	0	0
	(9,102)	(6,417)	0	0
	38,479	39,195	11,494	13,636
Attributable to equity holders of the company	62,796	66,161	44,773	46,915
Non-controlling interests	2,339	2,374	0	0
Total Equity	65,135	68,535	44,773	46,915

Notes :

1 During the year, the company had commenced re-developing its investment property and incurred construction and other related costs.

2 Investments in associates were arrived as follows :-

	GROUP		COMPANY	
	31/07/2016 S\$'000	31/07/2015 S\$'000	31/07/2016 S\$'000	31/07/2015 S\$'000
Unquoted equity investments, at cost	12,328	12,328	0	0
Less				
Impairment losses :-				
Balance at beginning of the financial year	0	0	0	(1,973)
Disposal	0	0	0	1,973
Balance at end of the financial year	0	0	0	0
	12,328	12,328	0	0
Share of post-acquisition reserves	10,999	9,927	0	0
Share of capital reserve	140	104	0	0
Foreign currency translation reserves	(5,598)	(4,124)	0	0
	17,869	18,235	0	0

3 Long-term investments were arrived as follows :-

	GROUP		COMPANY	
	31/07/2016 S\$'000	31/07/2015 S\$'000	31/07/2016 S\$'000	31/07/2015 S\$'000
Unquoted equity investments, at cost	1,275	1,281	1,246	1,246
Less				
Impairment losses :-				
Balance at beginning of the financial year	(350)	(350)	(340)	(340)
Disposal	2	0	0	0
Translation difference	2	0	0	0
Balance at end of the financial year	(346)	(350)	(340)	(340)
	929	931	906	906
Unquoted equity investments, at fair value				
Balance at beginning of the financial year	0	609	0	609
Fair value loss	0	(34)	0	(34)
Disposal	0	(575)	0	(575)
	0	0	0	0
Balance at end of the financial year	929	931	906	906

4 Short-term investments were arrived at as follows :-

	GROUP	
	31/07/2016 S\$'000	31/07/2015 S\$'000
Quoted investments, at fair value		
Balance at beginning of the financial year	7,847	7,829
Sales	(1,101)	(1,405)
Purchases	1,331	2,470
Fair value loss, unrealised	(812)	(1,047)
Balance at end of the financial year	7,265	7,847

1(b)(ii) Aggregate amount of group's borrowings and debts securities.

	As at 31/07/2016		As at 31/07/2015	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	0	0	0	0
Amount repayable after one year	0	0	0	0

Details of any collateral

The bank overdrafts and other credit facilities are secured by way of fixed charges on a subsidiary company's landed properties and are also guaranteed by the holding company.

1(b)(iii) Additional information

	Short-term Quoted Securities S\$	Long-term Quoted Securities S\$	Total S\$	*Percentage of NAV
Cost as at 1 August 2015	7,885,414	0	7,885,414	12.56
Purchases	1,331,277	0	1,331,277	2.12
Cost of investments sold	(1,416,640)	0	(1,416,640)	(2.26)
Cost as at 31 July 2016	7,800,051	0	7,800,051	12.42
Fair value movements				
Balance as at 1 August 2015	(38,806)	0	(38,806)	(0.06)
Fair value loss, unrealised	(811,996)	0	(811,996)	(1.29)
Fair value loss, realised	316,191	0	316,191	0.50
Balance as at 31 July 2016	(534,611)	0	(534,611)	(0.85)
Fair value as at 31 July 2016	7,265,440	0	7,265,440	11.57
Fair value as at 31 July 2015	7,846,608	0	7,846,608	

* NAV (Net Asset Value) is based on the unaudited consolidated statement of financial position as at 31 July 2016.

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	GROUP	
	31/07/2016	31/07/2015
	S\$'000	S\$'000
Cash flows from operating activities :-		
Profit before tax	823	2,545
Adjustments for non-cash and other items :-		
Allowance for doubtful trade receivables	11	27
Allowance for obsolete inventories no longer required	0	(24)
Bad debts written off	9	11
Depreciation and amortisation expenses	555	531
Fair value loss on short-term investments	812	1,047
Gain on disposal of property, plant and equipment	(32)	(90)
Gain on disposal of long-term unquoted investments	(4)	0
Reclassification of fair value gain on disposal of long-term unquoted investments	0	(325)
Gain on disposal of an associate		(18)
Interest expense	5	2
Interest income	(159)	(164)
Provision for retirement benefits	26	32
Reversal of allowance for doubtful trade receivables	(3)	(8)
Share of results of associates, net of tax	(1,596)	(1,541)
	(376)	(520)
Operating profit before working capital changes	447	2,025
Increase in short-term investments	(231)	(1,065)
Increase in inventories	(810)	(685)
Increase in trade and other receivables	(1,863)	(1,324)
Increase in trade and other payables	1,158	719
	(1,746)	(2,355)
Cash used in operations	(1,299)	(330)
Income tax paid	(785)	(762)
Interest paid	(5)	(2)
Interest received	159	164
Payments of retirement benefits	(31)	0
	(662)	(600)
Net cash used in operating activities	(1,961)	(930)
Cash flows from investing activities :-		
Purchase of property, plant and equipment	(834)	(1,274)
Addition to investment property	(894)	(338)
Proceeds from disposal of property, plant and equipment	222	90
Proceeds from disposal of long-term unquoted investment	4	575
Proceeds from disposal of an associate	0	3,004
Dividends received from associates	524	610
	(978)	2,667
Net cash (used in)/generated from investing activities	(2,939)	1,737
Cash flows from financing activities :-		
Dividend paid by the company	(774)	(774)
Dividends paid by subsidiaries to non-controlling interests	(74)	(83)
Net cash used in financing activities	(848)	(857)
Net (decrease)/increase in cash and cash equivalents	(3,787)	880
Cash and cash equivalents at beginning of the financial year	21,397	20,625
Effects of currency translations on cash and cash equivalents	(121)	(108)
Cash and cash equivalents at end of the financial year	17,489	21,397
Fixed deposits	14,392	16,587
Cash and bank balances	3,097	4,810
	17,489	21,397

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital S\$'000	Fair value reserve S\$'000	Other capital reserves S\$'000	Foreign currency translation reserves S\$'000	Retained profits S\$'000	Total attributable to equity holders of company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
GROUP								
At 1 August 2014	33,279	359	93	(3,536)	38,734	68,929	2,295	71,224
Profit for the financial year	0	0	0	0	1,235	1,235	371	1,606
Other comprehensive income/(loss) for the financial year	0	(359)	11	(2,881)	0	(3,229)	(209)	(3,438)
Total comprehensive income for the financial year	0	(359)	11	(2,881)	1,235	(1,994)	162	(1,832)
Dividends paid by								
- the company	0	0	0	0	(774)	(774)	0	(774)
- subsidiaries to non-controlling interests	0	0	0	0	0	0	(83)	(83)
At 31 July 2015	33,279	0	104	(6,417)	39,195	66,161	2,374	68,535
Profit for the financial year	0	0	0	0	58	58	229	287
Other comprehensive income/(loss) for the financial year	0	0	36	(2,685)	0	(2,649)	(190)	(2,839)
Total comprehensive income for the financial year	0	0	36	(2,685)	58	(2,591)	39	(2,552)
Dividends paid by								
- the company	0	0	0	0	(774)	(774)	0	(774)
- subsidiaries to non-controlling interests	0	0	0	0	0	0	(74)	(74)
At 31 July 2016	33,279	0	140	(9,102)	38,479	62,796	2,339	65,135
COMPANY								
At 1 August 2014	33,279	359	0	0	14,784	48,422		
Loss for the financial year	0	0	0	0	(374)	(374)		
Other comprehensive loss for the financial year	0	(359)	0	0	0	(359)		
Total comprehensive income for the financial year	0	(359)	0	0	(374)	(733)		
Dividend paid	0	0	0	0	(774)	(774)		
At 31 July 2015	33,279	0	0	0	13,636	46,915		
Loss for the financial year	0	0	0	0	(1,368)	(1,368)		
Other comprehensive loss for the financial year	0	0	0	0	0	0		
Total comprehensive income for the financial year	0	0	0	0	(1,368)	(1,368)		
Dividends paid	0	0	0	0	(774)	(774)		
At 31 July 2016	33,279	0	0	0	11,494	44,773		

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Not Applicable

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued ordinary shares as at 31 July 2016 was 25,812,520 (2015 : 25,812,520).

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures for the year ended 31 July 2016 have not been audited or reviewed.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not Applicable

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as compared with the most recent audited financial statements for the period ended 31 July 2015.

- 5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not Applicable

- 6 **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	GROUP	
	31/07/2016	31/07/2015
Net profit for the year attributable to equity holders of the company	S\$58,000	S\$1,235,000
Weighted average number of ordinary shares in issue	25,812,520	25,812,520
Basic earnings per share (in cents)	0.22	4.78
Diluted earnings per share (in cents)	0.22	4.78

- 7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:—**

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	GROUP		COMPANY	
	31/07/2016	31/07/2015	31/07/2016	31/07/2015
Net asset value per ordinary share based on total number of issued shares	S\$2.43	S\$2.56	S\$1.73	S\$1.82

The decrease in group's net asset value per ordinary share is due mainly to the other comprehensive loss of \$2,685,000 resulting from the currency translation of the financial statements of foreign operations due to weakening of the Ringgit.

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:—**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

	31/07/2016 S\$'000	31/07/2015 S\$'000	Decrease S\$'000
Wheat flour and other consumer products trading			
Tong Guan Food Products Sdn Bhd ('TGF')	35,018	35,913	(895)
Swee Hin Chan Co Sdn Bhd ('SHC')	20,796	22,299	(1,503)
Others	1,449	1,956	(507)
	57,263	60,168	(2,905)
Investment trading			
Sales	1,239	1,614	(375)
Dividend income	206	254	(48)
	1,445	1,868	(423)
	58,708	62,036	(3,328)

The group turnover showed a decrease from S\$62,036,000 to S\$58,708,000 due mainly to the weakening Ringgit and a reduction in sales of short-term investments.

TGF, operating in Sabah, Malaysia, reported an improved turnover, expressed in Ringgit, of RM104,718,000 from RM95,259,000 due mainly to the increase in sale for edible and non-edible goods inspite of a decrease in the sale of biscuits and wheat flour. The security measures imposed along the coastal towns also affected the business operations of our branches there.

SHC, operating in Penang, Malaysia, reported a modest increase in turnover, expressed in Ringgit, of RM62,189,000 from RM59,147,000. The company faced keen competition in the sale of wheat flour and animal feeds. However, sale of wheat flour remained stable as SHC has established its market position. Animal feeds, on the other hand was affected as imported maize, which was comparatively cheaper, was used as a substitute for wheat bran and pollard. SHC, as a leading importer for starches, continued to do well and progressed satisfactorily.

Contributing components of profit for the year were :-

	31/07/2016 S\$'000	31/07/2015 S\$'000
Pre-tax profits of two principal Malaysian subsidiaries	2,337	3,612
Share of results of associates, net of tax	1,596	1,541
Fair value loss on short-term investments, unrealised	(812)	(1,047)
Profit on disposal of property, plant and equipment	32	90
Profit on disposal of long-term unquoted investments	0	325
	<u>3,153</u>	<u>4,521</u>

The combined profit before taxation for the two trading subsidiaries was S\$2,337,000 compared with S\$3,612,000 for last year. This was attributed to the reduced profit margin from the sale of wheat flour, animal feeds (by SHC) and non-edible and fast-moving edible goods (by TGF) due to market competition. The continued depreciation of the Ringgit by about 11% was another adverse factor affecting the operating results of our trading subsidiaries.

Our 30% equity held associate, United Malayan Flour (1996) Sdn Bhd ('UMF') made steady improvement on its operating results. Profit after taxation rose from RM13,465,000 to RM16,167,000 on a slightly reduced turnover of RM248,427,000 as compared with the previous year of RM251,254,000. Lower cost of wheat grains and the increased export of oats products contributed towards better profitability. Our share of the profit from UMF increased from S\$1,523,000 to S\$1,622,000 net of tax.

REDEVELOPMENT OF HERITAGE BUILDING

The redevelopment of the existing heritage building began following the award of the building contract in March, 2016. Piling works have been completed and the construction works are in progress as per schedule.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There is no variance between the prospect statement and the actual results.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The instability in the financial markets and the slowdown in the global economic situation may have an impact on the group's operating results.

The two trading subsidiaries in Malaysia have established their respective market position and should be able to improve their operating results for the coming year. The associated flour mill in Malaysia should improve its profitability due mainly to better performance by its oats milling subsidiary.

In view of the above, the directors are cautiously optimistic that the group's operating results is likely to improve in the coming financial year.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes

Name of Dividend	First & Final
Dividend Type	Cash
Dividend Amount per Share	S\$0.03 per ordinary share
Tax Rate	Tax exempt one-tier

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes

Name of Dividend	First & Final
Dividend Type	Cash
Dividend Amount per Share	S\$0.03 per ordinary share
Tax Rate	Tax exempt one-tier

(c) Date payable

The proposed dividend in (a), if approved at the Annual General Meeting to be held on 25 November 2016, will be paid on 15 December 2016.

(d) Books closure date

Registrable transfers received by the Company up to 5.00 p.m. on 7 December 2016 will be registered before entitlements to the dividend are determined. The transfer register will be closed on 8 December 2016 for the preparation of the dividend warrants.

12 If no dividend has been declared/recommended, a statement to the effect.

Not applicable

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

(I) BY BUSINESS SEGMENTS

	Trading of wheat flour and consumer goods S\$'000	Investment trading S\$'000	Investment holding S\$'000	Elimination S\$'000	Group S\$'000
31/07/2016					
Revenue					
External revenue	57,263	1,239	206		58,708
Inter-segment revenue	0	0	0		0
	<u>57,263</u>	<u>1,239</u>	<u>206</u>		<u>58,708</u>
Results					
Profit before interest, taxation and depreciation and amortisation	453	(1,010)	185		(372)
Depreciation and amortisation	(500)	(55)	0		(555)
Operating Loss	<u>(47)</u>	<u>(1,065)</u>	<u>185</u>		<u>(927)</u>
Interest expense					(5)
Interest income					159
Share of net results of associates, net of tax					1,596
Taxation					(536)
Profit after tax					<u>287</u>
Assets and Liabilities					
Segments assets	<u>44,415</u>	<u>8,767</u>	<u>970</u>		54,152
Associates					17,869
Unallocated assets					<u>338</u>
					<u>72,359</u>
Segments liabilities	<u>6,325</u>	<u>50</u>	<u>7</u>		6,382
Unallocated liabilities					<u>842</u>
					<u>7,224</u>
Other segments information					
Expenditure for non-current assets	1,288	440	0		1,728
Other non-cash items					
Provision for doubtful trade receivables	17	0	0		17
Foreign exchange loss	275	8	1		284
	<u>275</u>	<u>8</u>	<u>1</u>		<u>284</u>
31/07/2015					
Revenue					
External revenue	60,168	1,614	254		62,036
Inter-segment revenue	0	0	0		0
	<u>60,168</u>	<u>1,614</u>	<u>254</u>		<u>62,036</u>

Results

Profit before interest, taxation and depreciation and amortisation	2,345	(1,214)	242		1,373
Depreciation and amortisation	(483)	(48)	0		(531)
Operating Profit	<u>1,862</u>	<u>(1,262)</u>	<u>242</u>		<u>842</u>
Interest expense					(2)
Interest income					164
Share of net results of associates, net of tax					1,541
Taxation					<u>(939)</u>
Profit after tax					<u>1,606</u>

	Trading of wheat flour and consumer goods S\$'000	Investment trading S\$'000	Investment holding S\$'000	Elimination S\$'000	Group S\$'000
Assets and Liabilities					
Segments assets	<u>46,377</u>	<u>9,630</u>	<u>972</u>		56,979
Associates					18,235
Unallocated assets					<u>55</u>
					<u>75,269</u>
Segments liabilities	<u>5,630</u>	<u>51</u>	<u>8</u>		5,689
Unallocated liabilities					<u>1,045</u>
					<u>6,734</u>

	Trading of wheat flour and consumer goods S\$'000	Investment trading S\$'000	Investment holding S\$'000	Elimination S\$'000	Group S\$'000
Other segments information					
Expenditure for non-current assets	1,612	0	0		1,612
Other non-cash items					
Provision for doubtful trade receivables	19	0	0		19
Foreign exchange loss	<u>385</u>	<u>11</u>	<u>0</u>		<u>396</u>

(II) BY GEOGRAPHICAL SEGMENTS

	Singapore S\$'000	Malaysia S\$'000	China S\$'000	Group S\$'000
31/07/2016				
Revenue				
External revenue	2,888	55,820	0	58,708
Inter-segment revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2,888</u>	<u>55,820</u>	<u>0</u>	<u>58,708</u>
Assets				
Segments assets	30,415	22,831	906	54,152
Associates	<u>0</u>	<u>17,869</u>	<u>-</u>	<u>17,869</u>
Unallocated assets				<u>338</u>
				<u>72,359</u>
31/07/2015				
Revenue				
External revenue	3,818	58,218	0	62,036
Inter-segment revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>3,818</u>	<u>58,218</u>	<u>0</u>	<u>62,036</u>
Assets				
Segments assets	33,522	22,551	906	56,979
Associates	<u>0</u>	<u>18,235</u>	<u>-</u>	<u>18,235</u>
Unallocated assets				<u>55</u>
				<u>75,269</u>

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to item 8.

15 A breakdown of sales as follow :

	GROUP		Increase/(Decrease) %
	31/07/2016 S\$'000	31/07/2015 S\$'000	
(a) Sales reported for first half year	29,217	31,385	(6.91)
(b) Operating profit after tax before deducting minority interests reported for first half year	(350)	176	(298.86)
(c) Sales reported for second half year	29,491	30,651	(3.78)
(d) Operating profit after tax before deducting minority interests reported for second half year	637	1,430	(55.45)

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	744	744
Preference	0	0
Total :	744	744

17 Negative Assurance

The Board of Directors hereby confirm to the best of their knowledge that nothing has come to their attention which may render the financial statements for the year ended 31 July 2016 to be false or misleading in any material aspect.

18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13)

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Chew Soo Lin	68	Cousin of Mr Chew Soo Eng Director cum shareholder of Cepheus Corporation Pte Ltd, a substantial shareholder.	Chairman of the Board In charge of financial matters.	Nil
Chew Soo Eng	68	Cousin of Mr Chew Soo Lin Director cum shareholder of Kah Hong Pte Ltd, a substantial shareholder.	Managing Director In charge of Group's business operations and management.	Nil
Chew Kian Boon Daniel	41	Son of Mr Chew Soo Eng	Executive Director In charge of procurement of raw materials, shipping freights and logistics.	Nil

19 Other Announcements

Aggregate value of Interest Person Transactions entered into for the year ended 31 July 2016.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	S\$	S\$
Purchases from		
United Malayan Flour (1996) Sdn Bhd	--	11,780,000
Khong Guan Biscuit Factory (Borneo) Sdn Bhd	--	4,283,000
Chung Ying Confectionery & Food Products Sdn Bhd	--	2,534,000
Leong Hong Oil Mill Sdn Bhd	--	1,419,000
Federal Oats Mills Sdn Bhd	--	276,000
Sales to		
Khian Guan Biscuit Manufacturing Co Sdn Bhd	--	303,000
Lian Guan Food Products Sdn Bhd	--	118,000
Lian Seng Hang Sdn Bhd	--	1,096,000
Poh Seng Trading (Ipoh) Sdn Bhd	--	1,479,000
Soon Guan Chan Sdn Bhd	--	368,000
Soon Guan Co Sdn Bhd	--	218,000
Sunshine Traders Sdn Bhd	--	789,000
Thong Hong Trading Sdn Bhd	--	389,000

BY ORDER OF THE BOARD
KOE ENG CHUAN
Company Secretary
28 September 2016