



KHONG GUAN FLOUR MILLING LIMITED

(Company Reg. No. 196000096G)

Full Year Financial Statement And Dividend Announcement for the Period Ended 31/07/2014

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	31/07/2014 S\$'000	31/07/2013 S\$'000	Increase/(Decrease) %
Revenue		61,991	68,055	(8.91)
Other income	1	508	12,706	(96.00)
Changes in short-term investments	2	247	(2,338)	NM
Changes in inventories		(78)	27	NM
Purchases of short-term investments		(2,570)	(1,911)	34.48
Purchases of inventories		(52,996)	(56,270)	(5.82)
Employee benefits expense		(3,761)	(3,498)	7.52
Depreciation expenses		(430)	(336)	27.98
Finance costs		(6)	(3)	100.00
Share of results of associates, net of tax	3	1,280	1,404	(8.83)
Other expenses		(2,170)	(2,047)	6.01
Profit before tax		2,015	15,789	(87.24)
Income tax expense	4	(444)	(757)	(41.35)
Profit after tax		<u>1,571</u>	<u>15,032</u>	(89.55)
Attributable to :				
Equity holders of the company		1,325	14,704	(90.99)
Non-controlling interests		246	328	(25.00)
		<u>1,571</u>	<u>15,032</u>	(89.55)

NM - Not Meaningful

Statement of Comprehensive Income

GROUP		
	31/07/2014 S\$'000	31/07/2013 S\$'000
Profit after tax	1,571	15,032
Other comprehensive income :		
Items that may be reclassified to profit or loss:		
Fair value gain on long-term quoted investments sold	0	185
Reversal of prior years' fair value gain on long-term quoted investments	0	(11,935)
Share of associates' capital reserve	(24)	(93)
Translating differences relating to financial statements of foreign operations	(340)	3
Total comprehensive income for the year	<u>1,207</u>	<u>3,192</u>
Attributable to :		
Equity holders of the company	977	2,869
Non-controlling interests	230	323
	<u>1,207</u>	<u>3,192</u>

1(a)(ii) Profit after taxation includes the following :-

	31/07/2014 S\$'000	31/07/2013 S\$'000
(a) Investment income	216	277
(b) Interest income	188	316
(c) Interest on borrowings	(6)	(3)
(d) Depreciation expenses	(430)	(336)
(e) Allowance for doubtful receivables written back and bad debts written off	5	5
(f) Write off for stock obsolescence	(28)	(4)
(g) Impairment loss on unquoted investments	0	(30)
(h) Foreign exchange (loss)/gain	(47)	31
(i) Overprovision of tax in respect of prior years	85	1
(j) Profit on sale of quoted short-term investments	257	572
(k) Profit on disposal of long-term quoted investments	0	11,935
(l) Profit on disposal of property, plant and equipment	194	7
(m) Fair value (loss)/gain on short-term investments, unrealised	(289)	93

Notes :

1 Other income comprises:

	31/07/2014 S\$'000	31/07/2013 S\$'000
Profit on disposal of long-term quoted investments	-	11,935
Interest income and others	508	771
	<u>508</u>	<u>12,706</u>

The increase in other income is due to the profit on disposal of long-term quoted investments made up as follows:-

Net sales proceeds	0	14,166
Cost of acquisition	0	(2,231)
Surplus over cost	0	11,935
Less		
Fair value gain taken up in prior years	0	11,750
Fair value gain for the current year	0	185
	<u>0</u>	<u>11,935</u>
	<u>0</u>	<u>0</u>

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

	31/07/2014 S\$'000	31/07/2013 S\$'000
Purchases	2,570	1,911
Cost of sales		
Cost of investments sold	(2,137)	(4,507)
Fair value loss, realised	103	165
Fair value of investments sold	(2,034)	(4,342)
Fair value (loss)/gain, unrealised	(289)	93
	<u>247</u>	<u>(2,338)</u>

3 The lower share of results of associated companies is explained in the review of the group performance under item 8.

4 Income tax expense

	31/07/2014 S\$'000	31/07/2013 S\$'000
Current taxation		
- Malaysian tax	491	750
- tax deducted at source	3	10
Overprovision for taxation in prior years	(85)	(1)
Deferred taxation	35	(2)
	<u>444</u>	<u>757</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		
	31/07/2014 S\$'000	31/07/2013 S\$'000	31/07/2014 S\$'000	31/07/2013 S\$'000	
ASSETS AND LIABILITIES					
Non-Current Assets					
Property, plant and equipment	1	5,191	2,064	406	131
Investment properties		3,879	3,879	3,879	3,879
Investments in subsidiaries		0	0	18,287	18,287
Investments in associates	2	21,825	21,283	2,843	2,881
Long-term investments	3	1,184	1,184	1,156	1,156
Deferred tax assets		0	8	0	0
		32,079	28,418	26,571	26,334
Current Assets					
Inventories		6,008	6,137	50	100
Short-term investments	4	7,829	7,582	0	0
Trade receivables		10,046	9,559	376	369
Other receivables		230	183	64	59
Income tax recoverable		280	156	0	0
Amounts owing by subsidiaries		0	0	4,486	3,530
Assets classified as held for sale		0	31	0	0
Fixed deposits		16,819	20,453	16,740	18,441
Cash and bank balances		3,837	4,191	1,111	991
		45,049	48,292	22,827	23,490
Less					
Current Liabilities					
Trade payables		4,556	4,628	559	341
Other payables		768	721	496	467
Amounts owing to banks, secured		31	0	0	0
		5,355	5,349	1,055	808
Net Current Assets		39,694	42,943	21,772	22,682
Less					
Non-Current Liabilities					
Provision for retirement benefits		280	256	280	256
Deferred tax liabilities		628	591	0	0
		908	847	280	256
		70,865	70,514	48,063	48,760
EQUITY					
Share capital		33,279	33,279	33,279	33,279
Capital reserves		93	117	0	0
Foreign currency translation reserves		(3,536)	(3,212)	0	0
Retained profits		38,734	38,183	14,784	15,481
Attributable to equity holders of the company		68,570	68,367	48,063	48,760
Non-controlling interests		2,295	2,147	0	0
		70,865	70,514	48,063	48,760

Notes :-

1 During the year, the Malaysian subsidiary in Penang purchased a leasehold land and building for S\$2,737,000 with the objective to centralise warehousing facilities from several rental premises. The new warehouse provides enough space to cater for the expansion of the company's general goods trading activities.

2 Investments in associates were arrived as follows :-

	GROUP		COMPANY	
	31/07/2014 S\$'000	31/07/2013 S\$'000	31/07/2014 S\$'000	31/07/2013 S\$'000
Unquoted equity investments, at cost	0	0	4,816	4,816
Share of net assets at acquisition date	14,948	14,948	0	0
	14,948	14,948	4,816	4,816
Less				
Impairment losses :-				
Balance at beginning of the year	0	0	(1,935)	(2,405)
Movement during the year	0	0	(38)	470
Balance at end of the year	0	0	(1,973)	(1,935)
	14,948	14,948	2,843	2,881
Share of post-acquisition reserves	9,364	8,575	0	0
Share of post-acquisition capital reserve	93	117	0	0
Foreign currency translation reserves	(2,580)	(2,357)	0	0
	21,825	21,283	2,843	2,881

3 Long-term Investments were arrived as follows :-

	GROUP		COMPANY	
	31/07/2014 S\$'000	31/07/2013 S\$'000	31/07/2014 S\$'000	31/07/2013 S\$'000
Unquoted equity investments, at cost	1,539	1,539	1,495	1,495
Translation difference	(5)	(5)	0	0
	1,534	1,534	1,495	1,495
Less				
Impairment losses :-				
Balance at beginning of the year	(350)	(320)	(339)	(309)
Movement during the year	0	(30)	0	(30)
Balance at end of the year	(350)	(350)	(339)	(339)
	1,184	1,184	1,156	1,156
Quoted equity investments, at fair value	0	13,981	0	13,981
Fair value gain	0	185	0	185
Disposal during the year	0	(14,166)	0	(14,166)
	0	0	0	0
Balance at end of the year	1,184	1,184	1,156	1,156

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

	GROUP	
	31/07/2014 S\$'000	31/07/2013 S\$'000
Quoted investments, at fair value		
Balance at beginning of the year	7,582	9,920
Sales	(2,034)	(4,342)
Purchases	2,570	1,911
Fair value (loss)/gain, unrealised	(289)	93
Balance at end of the year	7,829	7,582

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

	As at 31/07/2014		As at 31/07/2013	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	31	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	Long-term	Total	*Percentage of NTA
	Quoted Securities S\$	Quoted Securities S\$		
Cost as at 1 August 2013	6,441,099	0	6,441,099	9.39
Purchases	2,570,053	0	2,570,053	3.75
Cost of investments sold	(2,136,714)	0	(2,136,714)	(3.12)
Cost as at 31 July 2014	6,874,438	0	6,874,438	10.03
Fair value gain movements				
Balance as at 1 August 2013	1,140,636	0	1,140,636	1.66
Fair value loss, unrealised	(288,802)	0	(288,802)	(0.42)
Fair value loss, realised	102,691	0	102,691	0.15
Balance as at 31 July 2014	954,525	0	954,525	1.39
Fair value as at 31 July 2014	7,828,963	0	7,828,963	11.42
Fair value as at 31 July 2013	7,581,735	0	7,581,735	

* NTA (Net Tangible Assets Value) is based on the unaudited consolidated statement of financial position as at 31 July 2014

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	
	31/07/2014	31/07/2013
	S\$'000	S\$'000
Cash flows from operating activities :-		
Profit before tax	2,015	15,789
Adjustments for non-cash and other items :-		
Allowance for doubtful trade receivables	0	17
Adjustment for associate from deconsolidated subsidiary	0	(146)
Depreciation expenses	430	336
Dividend income	(216)	(277)
Fair value loss/(gain) on short-term investments	289	(93)
Gain on disposal of property, plant and equipment	(194)	(7)
Gain on disposal of long-term quoted investments	0	(11,935)
Loss on deconsolidation of a subsidiary	0	42
Impairment loss on long-term investments	0	30
Interest expense	6	3
Interest income	(188)	(316)
Payable written back, non-trade	0	(10)
Provision for retirement benefits	24	34
Reversal of allowance for doubtful trade receivables	(5)	(22)
Share of results of associates, net of tax	(1,280)	(1,404)
	(1,134)	(13,748)
Operating profit before working capital changes	881	2,041
(Increase)/Decrease in short-term investments	(536)	2,431
Decrease/(Increase) in inventories	78	(27)
Increase in trade and other receivables	(725)	(151)
Decrease in trade and other payables	14	153
	(1,169)	2,406
Cash (used in)/generated from operations	(288)	4,447
Dividends received	216	268
Income tax paid	(398)	(744)
Interest paid	(6)	(3)
Interest received	188	316
	0	(163)
Net cash (used in)/generated from operating activities	(288)	4,284
Cash flows from investing activities :-		
Purchase of property, plant and equipment	(3,565)	(621)
Proceeds from disposal of property, plant and equipment	250	7
Proceeds from disposal of long-term quoted investment	0	14,166
Dividends received from associates	491	508
Net cash outflow on deconsolidation of a subsidiary	0	(2)
Acquisition of additional interests in a subsidiary	0	(303)
	(2,824)	13,755
Net cash (used in)/generated from investing activities	(3,112)	18,039
Cash flows from financing activities :-		
Dividends paid by the company	(774)	(1,033)
Dividends paid by subsidiaries to non-controlling interests	(82)	(66)
Repayment of bank borrowings	0	(412)
Net cash used in financing activities	(856)	(1,511)
Net (decrease)/increase in cash and cash equivalents	(3,968)	16,528
Cash and cash equivalents at beginning of the year	24,644	8,123
Effects of currency translations on cash and cash equivalents	(51)	(7)
Cash and cash equivalents at end of the year	20,625	24,644
Fixed deposits	16,819	20,453
Cash and bank balances	3,837	4,191
Bank overdraft	(31)	0
	20,625	24,644

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 2012	33,279	11,750	210	(3,220)	24,446	66,465	2,258	68,723
Dividends paid by								
- the company	0	0	0	0	(1,033)	(1,033)	0	(1,033)
- subsidiaries to non-controlling interests	0	0	0	0	0	0	(66)	(66)
Acquisition of non-controlling interests without a change in control	0	0	0	0	66	66	(368)	(302)
Total comprehensive income for the year	0	(11,750)	(93)	8	14,704	2,869	323	3,192
At 31 July 2013	33,279	0	117	(3,212)	38,183	68,367	2,147	70,514
Dividends paid by								
- the company	0	0	0	0	(774)	(774)	0	(774)
- subsidiaries to non-controlling interests	0	0	0	0	0	0	(82)	(82)
Total comprehensive income for the year	0	0	(24)	(324)	1,325	977	230	1,207
At 31 July 2014	33,279	0	93	(3,536)	38,734	68,570	2,295	70,865
COMPANY								
At 1 August 2012	33,279	11,750	0	0	4,626	49,655		
Dividend paid	0	0	0	0	(1,033)	(1,033)		
Total comprehensive income for the year	0	(11,750)	0	0	11,888	138		
At 31 July 2013	33,279	0	0	0	15,481	48,760		
Dividends paid	0	0	0	0	(774)	(774)		
Total comprehensive income for the year	0	0	0	0	77	77		
At 31 July 2014	33,279	0	0	0	14,784	48,063		

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, 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 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 2014 was 25,812,520 (31 July 2013 : 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 2014 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 2013.

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	
	31/07/2014	31/07/2013
Net profit for the year attributable to equity holders of the company	S\$1,325,000	S\$14,704,000
Weighted average number of ordinary shares in issue	25,812,520	25,812,520
Basic earnings per share (in cents)	5.13	56.96
Diluted earnings per share (in cents)	5.13	56.96

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	
	31/07/2014	31/07/2013	31/07/2014	31/07/2013
Net asset value per ordinary share based on total number of issued shares	S\$2.66	S\$2.65	S\$1.86	S\$1.89

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.

TURNOVER

	31/07/2014 S\$'000	31/07/2013 S\$'000	Increase/ (Decrease) S\$'000
Wheat flour and other consumer products trading			
Tong Guan Food Products Sdn Bhd ('TGF')	34,917	37,944	(3,027)
Swee Hin Chan Co Sdn Bhd ('SHC')	22,326	22,755	(429)
Others	2,241	2,165	76
	59,484	62,864	(3,380)
Investment trading			
Sales	2,291	4,914	(2,623)
Dividend income	216	277	(61)
	2,507	5,191	(2,684)
	61,991	68,055	(6,064)

Group turnover for the year just ended of \$61,991,000 reflected a general decline in group trading activities as against the last year's \$68,055,000.

TGF's main operations in the state of Sabah, especially in retail biscuit business were detrimentally affected by military action conducted in that state. The consequential closure of an edible oil refinery by the company's sole supplier due to curfew imposition also contributed towards lower turnover.

Whilst market competition pulled down animal feed sales, SHC was able to continue improving marketing imported starches besides maintaining its market share for wheat flour in the northern region of Malaysia.

The weakening of Malaysia Ringgit used in the subsidiaries' trade also caused turnover to dip slightly.

The subdued local stock market had an adverse effect on the trading of short-term investments. Sales, though not significant overall, were substantially reduced.

Contributing components of profit for the year were:-

	31/07/2014 S\$'000	31/07/2013 S\$'000
Profits attributable to two principal Malaysian subsidiaries	1,831	2,223
Share of results of associates, net of tax	1,280	1,404
Profit on disposal of long-term quoted investments	0	11,935
Interest income	188	316
Dividend income	216	277
(Loss)/profit attributable to investment trading subsidiaries	(154)	178
Fair value (loss)/gain on short-term investments, unrealised	(289)	93
	3,072	16,426

Decreased turnover of the two Malaysian subsidiaries had a direct impact on their profits. TGF's profit was affected by the cessation in the sale of edible oil and the lower sales of biscuits with high margin.

SHC was able to maintain its profitability due to better rebates from wheat flour sales. Animal feeds faced increasing competition from the import of maize and excess rice husks from a bumper local rice crop used as substitutes for animal feeds.

United Malayan Flour (1996) Sdn Bhd 'UMF' in which the group holds a 30% equity interest performed satisfactorily with a net profit of \$4,238,000 (2013: \$4,266,000) on a turnover of \$90,653,000 (2013: \$92,094,000). Though the flour milling industry in Malaysia was very competitive, the stable prices of wheat grains during the year help to stabilize the selling prices of wheat flour. The increase in the production capacity of its oats milling subsidiary after the replacement with more efficient equipment contributed positively towards UMF's profitability.

Faced with the high cost of local wheat grains purchased which could not be adjusted into the selling prices of wheat flour under the prevalent market conditions, the 40% equity held associate Henan Khong Guan Cereal and Oil Food Products Co Ltd did not fare well and the profit for the year dwindled to \$39,000 as compared with \$299,000 a year ago despite an increase in turnover to \$18,113,000 from \$18,008,000 previously.

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

Not Applicable

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 trading subsidiary SHC has moved to its new warehouse with bigger storage facility in September 2014. This will enable SHC to increase the import of starches and other goods. The trading subsidiary TGF had recently secured in principle several new food products agencies which include the supply of edible oil and other new products for sales in Sabah. These new appointments will increase the trading activities of TGF and improve its profitability.

Although the wheat flour market remains competitive, UMF is expected to do better as its oats milling subsidiary has begun to utilize the increased production capacity for exports to the regional and Middle East markets under the Captain Oats brand.

The directors therefore envisage that the company would be able to improve its group operating profit in the coming 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 27 November 2014, will be paid on 15 December 2014.

(d) Books closure date

Registrable transfers received by the Company up to 5.00 p.m. on 4 December 2014 will be registered before entitlements to the dividend are determined. The transfer register will be closed on 5 December 2014 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 products S\$'000	Investment trading S\$'000	Investment holding S\$'000	Elimination S\$'000	Group S\$'000
31/07/2014					
Revenue					
External revenue	59,484	2,291	216		61,991
Inter-segment revenue	0	0	0		0
	<u>59,484</u>	<u>2,291</u>	<u>216</u>		<u>61,991</u>
Results					
Profit before interest, taxation and depreciation	1,174	(397)	206		983
Depreciation	(384)	(46)	0		(430)
Operating Profit	<u>790</u>	<u>(443)</u>	<u>206</u>		<u>553</u>
Interest expense					(6)
Interest income					188
Share of net results of associates, net of tax					1,280
Taxation					(444)
Profit after tax					<u>1,571</u>
Assets and Liabilities					
Segments assets	<u>43,622</u>	<u>9,981</u>	<u>1,338</u>		<u>54,941</u>
Associates					21,825
Unallocated assets					362
					<u>77,128</u>
Segments liabilities	<u>5,373</u>	<u>43</u>	<u>7</u>		<u>5,423</u>
Unallocated liabilities					840
					<u>6,263</u>
Other segments information					
Expenditure for non-current assets	3,554	11	0		3,565
Other non-cash items					
Foreign exchange loss	43	4	0		47
Impairment loss	0	0	0		0
Stocks written off	28	0	0		28
	<u>3,554</u>	<u>11</u>	<u>0</u>		<u>3,565</u>
31/07/2013					
Revenue					
External revenue	62,864	4,914	277		68,055
Inter-segment revenue	0	0	0		0
	<u>62,864</u>	<u>4,914</u>	<u>277</u>		<u>68,055</u>
Results					
Profit before interest, taxation and depreciation	1,801	312	12,295		14,408
Depreciation	(290)	(46)	0		(336)
Operating Profit	<u>1,511</u>	<u>266</u>	<u>12,295</u>		<u>14,072</u>
Interest expense					(3)
Interest income					316
Share of net results of associates, net of tax					1,404
Taxation					(757)
Profit after tax					<u>15,032</u>

	Trading of wheat flour and consumer products S\$'000	Investment trading S\$'000	Investment holding S\$'000	Elimination S\$'000	Group S\$'000
Assets and Liabilities					
Segments assets	44,736	8,777	1,750		55,263
Associates					21,283
Unallocated assets					164
					<u>76,710</u>
Segments liabilities	5,390	43	8		5,441
Unallocated liabilities					755
					<u>6,196</u>
Other segments information					
Expenditure for non-current assets	621	0	0		621
Other non-cash items					
Impairment loss	0	0	30		30
Stocks written off	4	0	0		4

(II) BY GEOGRAPHICAL SEGMENTS

	Singapore S\$'000	Malaysia S\$'000	China S\$'000	Group S\$'000
31/07/2014				
Revenue				
External revenue	4,737	57,254	0	61,991
Inter-segment revenue	0	0	0	0
	<u>4,737</u>	<u>57,254</u>	<u>0</u>	<u>61,991</u>
Assets				
Segments assets	33,937	21,004	-	54,941
Associates	0	18,981	2,844	21,825
Unallocated assets				362
				<u>77,128</u>
31/07/2013				
Revenue				
External revenue	7,343	60,712	0	68,055
Inter-segment revenue	0	0	0	0
	<u>7,343</u>	<u>60,712</u>	<u>0</u>	<u>68,055</u>
Assets				
Segments assets	35,033	20,230	-	55,263
Associates	0	18,377	2,906	21,283
Unallocated assets				164
				<u>76,710</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)
	31/07/2014 S\$'000	31/07/2013 S\$'000	%
(a) Sales reported for first half year	30,485	33,943	(10.19)
(b) Operating profit after tax before deducting minority interests reported for first half year	167	13,533	(98.77)
(c) Sales reported for second half year	31,506	34,112	(7.64)
(d) Operating profit after tax before deducting minority interests reported for second half year	1,404	1,499	(6.34)

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 2014 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	66	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	66	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

19 Other Announcements

Aggregate value of Interest Person Transactions entered into for the year ended 31 July 2014.

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	--	13,376,000
Khong Guan Biscuit Factory (Borneo) Sdn Bhd	--	4,565,000
Chung Ying Confectionery & Food Products Sdn Bhd	--	3,032,000
Leong Hong Oil Mill Sdn Bhd	--	2,286,000
Federal Oats Mills Sdn Bhd	--	190,000
Sales to		
Hock Guan (Johore) Sdn Bhd	--	180,000
Khian Guan Biscuit Manufacturing Co Sdn Bhd	--	439,000
Khong Guan Biscuit Factory (Johore) Sdn Bhd	--	229,000
Khong Guan Trading Sdn Bhd	--	140,000
Lian Guan Food Products Sdn Bhd	--	125,000
Lian Seng Hang Sdn Bhd	--	1,191,000
Poh Seng Trading (Ipoh) Sdn Bhd	--	1,775,000
Soon Guan Chan Sdn Bhd	--	525,000
Soon Guan Co Sdn Bhd	--	321,000
Thong Hong Trading Sdn Bhd	--	609,000

BY ORDER OF THE BOARD

KOE ENG CHUAN

Company Secretary

25 September 2014