



KHONG GUAN LIMITED
(formerly known as Khong Guan Flour Milling Limited)

(Company Reg. No. 196000096G)

Full Year Financial Statement And Dividend Announcement for the Period Ended 31/07/2017

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.**

Income Statement

	Notes	GROUP		Increase/(Decrease) %
		31/07/2017 S\$'000	31/07/2016 S\$'000	
Revenue		57,111	58,708	(2.72)
Other income		263	289	(9.00)
Changes in short-term investments	1	(1,429)	(582)	145.53
Changes in inventories		663	810	(18.15)
Purchases of short-term investments		(1,575)	(1,331)	18.33
Purchases of inventories		(47,758)	(51,901)	(7.98)
Employee benefits expense		(3,844)	(3,907)	(1.61)
Depreciation and amortisation expenses		(504)	(555)	(9.19)
Finance costs		0	(5)	NM
Share of results of associates, net of tax		1,797	1,596	12.59
Other expenses	2	(2,801)	(2,299)	21.84
Profit before tax		1,923	823	133.66
Income tax expense	3	(482)	(536)	(10.07)
Profit for the financial year		1,441	287	402.09
Profit for the financial year attributable to :				
Equity holders of the Company		1,250	58	2,055.17
Non-controlling interests		191	229	(16.59)
		1,441	287	402.09

NM - Not Meaningful

Statement of Comprehensive Income

	GROUP	
	31/07/2017 S\$'000	31/07/2016 S\$'000
Profit for the financial year	1,441	287
Other comprehensive income :		
Items that may be subsequently reclassified to profit or loss:		
Share of associates' capital reserve	50	36
Translation differences relating to financial statements of foreign operations	(1,471)	(2,875)
Other comprehensive income, net of tax	(1,421)	(2,839)
Total comprehensive income for the financial year	20	(2,552)
Total comprehensive income attributable to :		
Equity holders of the Company	(73)	(2,591)
Non-controlling interests	93	39
	20	(2,552)

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

	GROUP	
	31/07/2017 S\$'000	31/07/2016 S\$'000
(a) Investment income	193	206
(b) Interest income	134	159
(c) Interest on borrowings	0	(5)
(d) Depreciation and amortisation expenses	(504)	(555)
(e) Allowance for doubtful receivables made and bad debts written off	(441)	(17)
(f) Write off for stock obsolescence	0	0
(g) Impairment loss on unquoted investments	0	0
(h) Foreign exchange loss	(133)	(284)
(i) Under or overprovision of tax in respect of prior years	0	0
(j) Profit on sale of quoted short-term investments	499	139
(k) (Loss)/Profit on disposal of long-term unquoted investments	(185)	4
(l) Profit on disposal of property, plant and equipment	2	32
(m) Fair value gain/(loss) on short-term investments, unrealised	287	(812)

Notes :

1 Changes in short-term investments

	31/07/2017 S\$'000	31/07/2016 S\$'000
Purchases	1,575	1,331
Cost of sales		
Cost of investments sold	(3,366)	(1,417)
Fair value loss, realised	75	316
	(3,291)	(1,101)
Fair value gain/(loss), unrealised	287	(812)
	(1,429)	(582)

2 The increase was due mainly to the allowance made for doubtful receivables amounting to S\$441,000 which is explained under item 8.

3 Income tax expense

	31/07/2017 S\$'000	31/07/2016 S\$'000
Current taxation		
- Malaysian tax	502	602
- tax deducted at source	2	2
Deferred taxation	(22)	(68)
	482	536

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	
	31/07/2017 S\$'000	31/07/2016 S\$'000	31/07/2017 S\$'000	31/07/2016 S\$'000
ASSETS AND LIABILITIES				
Non-Current Assets				
Property, plant and equipment	3,295	3,672	342	381
Prepaid lease	1,485	1,599	0	0
Investment property	9,468	5,111	9,468	5,111
Investments in subsidiaries	0	0	18,287	18,287
Investments in associates	18,276	17,869	0	0
Long-term investments	22	929	0	906
	32,546	29,180	28,097	24,685

Current Assets

Inventories		6,872	6,489	0	0
Short-term investments	4	5,836	7,265	0	0
Trade receivables		10,115	11,450	480	486
Other receivables		570	336	229	200
Tax recoverable		333	150	0	0
Amounts owing by subsidiaries		0	0	5,415	5,277
Fixed deposits		9,352	14,392	9,282	14,322
Cash and bank balances		5,370	3,097	894	825
		<u>38,448</u>	<u>43,179</u>	<u>16,300</u>	<u>21,110</u>

Less

Current Liabilities

Trade payables		4,534	5,513	269	205
Other payables	5	1,425	889	981	510
		<u>5,959</u>	<u>6,402</u>	<u>1,250</u>	<u>715</u>

Net Current Assets

	32,489	36,777	15,050	20,395
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Less

Non-Current Liabilities

Provision for retirement benefits		237	307	237	307
Deferred tax liabilities		488	515	0	0
		<u>725</u>	<u>822</u>	<u>237</u>	<u>307</u>

Net Assets

	<u>64,310</u>	<u>65,135</u>	<u>42,910</u>	<u>44,773</u>
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EQUITY

Share capital		33,279	33,279	33,279	33,279
Capital reserves		190	140	0	0
Foreign currency translation reserves	6	(10,475)	(9,102)	0	0
Retained profits		38,955	38,479	9,631	11,494
Attributable to equity holders of the Company		<u>61,949</u>	<u>62,796</u>	<u>42,910</u>	<u>44,773</u>
Non-controlling interests		2,361	2,339	0	0
Total Equity		<u>64,310</u>	<u>65,135</u>	<u>42,910</u>	<u>44,773</u>

Notes :

1 The increase relates to the progress payments made for the redevelopment of the heritage building.

2 Investments in associates

	GROUP	
	31/07/2017 S\$'000	31/07/2016 S\$'000
Unquoted equity investments, at cost	12,035	12,328
Share of post-acquisition reserves	12,305	10,999
Share of capital reserve	190	140
Foreign currency translation reserves	(6,254)	(5,598)
	<u>18,276</u>	<u>17,869</u>

During the financial year, a subsidiary's dormant associate, Borneo Can Sendirian Berhad, commenced liquidation.

3 Long-term Investments

	GROUP		COMPANY	
	31/07/2017 S\$'000	31/07/2016 S\$'000	31/07/2017 S\$'000	31/07/2016 S\$'000
Unquoted equity investments, at cost	28	1,275	0	1,246
Less				
Impairment losses :				
Balance at beginning of the financial year	(346)	(350)	(340)	(340)
Disposal	340	2	340	0
Currency translation difference	0	2	0	0
Balance at end of the financial year	<u>(6)</u>	<u>(346)</u>	<u>0</u>	<u>(340)</u>
	<u>22</u>	<u>929</u>	<u>0</u>	<u>906</u>

During the financial year, the Group disposed of a long-term investment.

4 Short-term Investments

	GROUP	
	31/07/2017	31/07/2016
	S\$'000	S\$'000
Quoted investments, at fair value		
Balance at beginning of the financial year	7,265	7,847
Sales	(3,291)	(1,101)
Purchases	1,575	1,331
Fair value gain/(loss), unrealised	287	(812)
Balance at end of the financial year	<u>5,836</u>	<u>7,265</u>

5 The increase was mainly due to the retention amount in respect of the redevelopment of the heritage building.

6 The increase resulted from the continuing weakening of Ringgit Malaysia against Singapore Dollar.

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

	As at 31/07/2017		As at 31/07/2016	
	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\$	*Percentage of NTA
Cost as at 1 August 2016	7,800,051	12.59
Purchases	1,574,256	2.54
Cost of investments sold	(3,365,292)	(5.43)
Cost as at 31 July 2017	<u>6,009,015</u>	9.70
Fair value movements		
Balance as at 1 August 2016	(534,611)	(0.86)
Fair value gain, unrealised	286,501	0.46
Fair value loss, realised	75,413	0.12
Balance as at 31 July 2017	<u>(172,697)</u>	(0.28)
Fair value as at 31 July 2017	<u>5,836,318</u>	9.42
Fair value as at 31 July 2016	7,265,440	

* NTA (Net Tangible Assets Value) is based on the unaudited consolidated statement of financial position as at 31 July 2017.

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	
	31/07/2017	31/07/2016
	S\$'000	S\$'000
Cash flows from operating activities :		
Profit before tax	1,923	823
Adjustments for non-cash and other items :		
Allowance for doubtful trade receivables	441	11
Bad debts written off	0	9
Depreciation and amortisation expenses	504	555
Fair value (gain)/loss on short-term investments	(287)	812
Profit on disposal of property, plant and equipment	(2)	(32)
Loss/(Profit) on disposal of long-term unquoted investments	185	(4)
Loss on disposal of a subsidiary's associate	46	0
Loss on disposal of a sub-subsidiary	4	0
Interest expense	0	5
Interest income	(134)	(159)
Provision for retirement benefits	20	26
Reversal of allowance for doubtful trade receivables	0	(3)
Share of results of associates, net of tax	(1,797)	(1,596)
	<u>(1,020)</u>	<u>(376)</u>
Operating profit before working capital changes	903	447
Decrease/(Increase) in short-term investments	1,715	(231)
Increase in inventories	(663)	(810)
Decrease/(Increase) in trade and other receivables	27	(1,863)
(Decrease)/Increase in trade and other payables	(228)	1,158
	<u>851</u>	<u>(1,746)</u>
Cash generated from/(used in) operations	1,754	(1,299)
Income tax paid	(505)	(785)
Interest paid	0	(5)
Interest received	134	159
Payments of retirement benefits	(90)	(31)
	<u>(461)</u>	<u>(662)</u>
Net cash generated from/(used in) operating activities	1,293	(1,961)
Cash flows from investing activities :		
Purchase of property, plant and equipment	(172)	(834)
Addition to investment property	(4,356)	(894)
Proceeds from disposal of property, plant and equipment	2	222
Proceeds from disposal of long-term unquoted investment	721	4
Proceeds from disposal of a subsidiary's associate	115	0
Dividends received from associates	536	524
	<u>(3,154)</u>	<u>(978)</u>
Net cash used in investing activities	(1,861)	(2,939)
Cash flows from financing activities :		
Dividend paid by the Company	(774)	(774)
Dividends paid by subsidiaries to non-controlling interests	(71)	(74)
	<u>(845)</u>	<u>(848)</u>
Net cash used in financing activities	(845)	(848)
Net decrease in cash and cash equivalents	(2,706)	(3,787)
Cash and cash equivalents at beginning of the financial year	17,489	21,397
Effects of currency translations on cash and cash equivalents	(61)	(121)
Cash and cash equivalents at end of the financial year	14,722	17,489
Fixed deposits	9,352	14,392
Cash and bank balances	5,370	3,097
	<u>14,722</u>	<u>17,489</u>

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	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 2015	33,279	104	(6,417)	39,195	66,161	2,374	68,535
Profit for the financial year	0	0	0	58	58	229	287
Other comprehensive income for the financial year	0	36	(2,685)	0	(2,649)	(190)	(2,839)
Total comprehensive income for the financial year	0	36	(2,685)	58	(2,591)	39	(2,552)
Dividends paid by							
- the Company	0	0	0	(774)	(774)	0	(774)
- subsidiaries to non-controlling interests	0	0	0	0	0	(74)	(74)
At 31 July 2016	33,279	140	(9,102)	38,479	62,796	2,339	65,135
Profit for the financial year	0	0	0	1,250	1,250	191	1,441
Other comprehensive income for the financial year	0	50	(1,373)	0	(1,323)	(98)	(1,421)
Total comprehensive income for the financial year	0	50	(1,373)	1,250	(73)	93	20
Dividends paid by							
- the Company	0	0	0	(774)	(774)	0	(774)
- subsidiaries to non-controlling interests	0	0	0	0	0	(71)	(71)
At 31 July 2017	33,279	190	(10,475)	38,955	61,949	2,361	64,310

	Share capital S\$'000	Retained profits S\$'000	Total equity S\$'000
COMPANY			
At 1 August 2015	33,279	13,636	46,915
Loss for the financial year	0	(1,368)	(1,368)
Other comprehensive income for the financial year	0	0	0
Total comprehensive income for the financial year	0	(1,368)	(1,368)
Dividend paid	0	(774)	(774)
At 31 July 2016	33,279	11,494	44,773
Loss for the financial year	0	(1,089)	(1,089)
Other comprehensive income for the financial year	0	0	0
Total comprehensive income for the financial year	0	(1,089)	(1,089)
Dividends paid	0	(774)	(774)
At 31 July 2017	33,279	9,631	42,910

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 2017 was 25,812,520 (2016 : 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 2017 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 2016.

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.

The Group has adopted all the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2016. The adoption of these new/revised FRS and INT FRS did not result in changes to the group's and the company's accounting policies and had no material impact on the results under review.

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	
	31/07/2017	31/07/2016
Net profit for the year attributable to equity holders of the Company	S\$1,250,000	S\$58,000
Weighted average number of ordinary shares in issue	25,812,520	25,812,520
Basic earnings per share (in cents)	4.84	0.22
Diluted earnings per share (in cents)	4.84	0.22

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	
	31/07/2017	31/07/2016	31/07/2017	31/07/2016
Net asset value per ordinary share based on total number of issued shares	S\$2.40	S\$2.43	S\$1.66	S\$1.73

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.

	31/07/2017 S\$'000	31/07/2016 S\$'000	(Decrease)/ Increase S\$'000
Wheat flour and other consumer products trading			
Tong Guan Food Products Sdn Bhd ('TGF')	32,697	35,018	(2,321)
Swee Hin Chan Co Sdn Bhd ('SHC')	19,155	20,796	(1,641)
Others	1,277	1,449	(172)
	53,129	57,263	(4,134)
Investment trading			
Sales	3,789	1,239	2,550
Dividend income	193	206	(13)
	3,982	1,445	2,537
	57,111	58,708	(1,597)

Total turnover decreased slightly from S\$58,708,000 to S\$57,111,000. The decrease in trading sales from Tong Guan Food Products Sdn Bhd ("TGF") and Swee Hin Chan Company Sdn. Berhad ("SHC") was partially offset by the increase in sales of short-term investments by the subsidiaries dealing with investments.

TGF operating in Sabah, experienced a decrease in the sales of wheat flour due to tough market competition. Sales of edible oil also experienced a decrease due to a reduction of quota available. The sales of biscuits and other general goods remained relatively constant.

SHC, operating in Penang, managed to increase its sales of wheat flour but experienced a decrease in the sales of animal feeds as customers who buy our wheat bran and pollard for animal feeds are substituting these with imported maize, which was comparatively cheaper. The sales of starches also suffered a decrease as a result of the loss of a key customer, listed in Bursa, who is seeking protection under PN 17.

Following the improvement in stock market sentiments, our trading in securities increased from S\$1,239,000 to S\$3,789,000.

Lower sales volume, coupled with the difficulty in maintaining profit margin due to intense competition resulted in lower profit for our two trading subsidiaries. This is further aggravated by the doubtful debt charge of S\$441,000 against the key SHC's customer who is facing financial difficulty, as highlighted above.

The continued depreciation of the Ringgit Malaysia by about 3.2% was another adverse factor affecting the operating results of our trading subsidiaries.

Our 30% held associate, United Malayan Flour (1996) Sdn Bhd ("UMF") improved its profit after taxation from RM16,167,000 to RM18,512,000 on the back of a marginally increase in turnover from RM248,427,000 to RM248,720,000. The improvement in the turnover from its oats milling subsidiary was offset by the drop in wheat flour sales. The profit after taxation improved on the back of lower raw material cost and better sales from its subsidiary.

REDEVELOPMENT OF HERITAGE BUILDING

The redevelopment of the existing heritage building is progressing as planned and is expected to complete by the end of the year.

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.

Although the stock market has recovered somewhat, the financial markets are still fraught with uncertainties and trading in short-term investments will be approached cautiously.

The two trading subsidiaries in Malaysia will continue to review and develop their own marketing strategies in the light of intense competition. Our associate in Malaysia should be able to improve its profitability due mainly to the expected increases in the export of oats products by its oats milling subsidiary.

As the group operates substantially in Malaysia, our operating results would be affected by the fluctuations in the Ringgit Malaysia. Our directors therefore cautiously envisage that the group's results should be better 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 28 November 2017, will be paid on 15 December 2017.

(d) **Books closure date**

Registrable transfers received by the Company up to 5.00 p.m. on 7 December 2017 will be registered before entitlements to the dividend are determined. The transfer register will be closed on 8 December 2017 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
31/07/2017					
Revenue					
External revenue	53,135	3,789	187		57,111
Inter-segment revenue	0	0	0		0
	<u>53,135</u>	<u>3,789</u>	<u>187</u>		<u>57,111</u>
Results					
Profit/(Loss) before interest, taxation and depreciation and amortisation	(80)	402	174		496
Depreciation and amortisation	(444)	(60)	0		(504)
Operating (loss)/profit	<u>(524)</u>	<u>342</u>	<u>174</u>		(8)
Interest expense					0
Interest income					134
Share of results of associates, net of tax					1,797
Taxation					<u>(482)</u>
Profit after tax					<u>1,441</u>
Assets and Liabilities					
Segments assets	<u>42,617</u>	<u>9,298</u>	<u>73</u>		51,988
Associates					18,276
Unallocated assets					<u>730</u>
					<u>70,994</u>
Segments liabilities	<u>5,320</u>	<u>51</u>	<u>8</u>		5,379
Unallocated liabilities					<u>1,305</u>
					<u>6,684</u>
Other segments information					
Expenditure for non-current assets	4,528	0	0		4,528
Other non-cash items					
Allowance for doubtful trade receivables	441	0	0		441
Foreign exchange loss	<u>129</u>	<u>4</u>	<u>0</u>		<u>133</u>
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>

	Trading of wheat flour and consumer goods S\$'000	Investment trading S\$'000	Investment holding S\$'000	Elimination S\$'000	Group S\$'000
Results					
(Loss)/Profit before interest, taxation and depreciation and amortisation	453	(1,010)	185		(372)
Depreciation and amortisation	(500)	(55)	0		(555)
Operating (loss)/profit	<u>(47)</u>	<u>(1,065)</u>	<u>185</u>		<u>(927)</u>
Interest expense					(5)
Interest income					159
Share of results of associates, net of tax					1,596
Taxation					<u>(536)</u>
Profit after tax					<u>287</u>

Assets and Liabilities

Segments assets	44,415	8,767	970		54,152
Associates					17,869
Unallocated assets					<u>338</u>
					<u>72,359</u>
Segments liabilities	6,325	50	7		6,382
Unallocated liabilities					<u>842</u>
					<u>7,224</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	1,288	440	0		1,728
Other non-cash items					
Allowance for doubtful trade receivables	17	0	0		17
Foreign exchange loss	275	8	1		<u>284</u>

(II) BY GEOGRAPHICAL SEGMENTS

	Singapore S\$'000	Malaysia S\$'000	China S\$'000	Group S\$'000
31/07/2017				
Revenue				
External revenue	5,253	51,858	0	57,111
Inter-segment revenue	0	0	0	0
	<u>5,253</u>	<u>51,858</u>	<u>0</u>	<u>57,111</u>
Assets				
Segments assets	30,272	21,716	0	51,988
Associates	0	18,276	0	18,276
Unallocated assets				<u>730</u>
				<u>70,994</u>
31/07/2016				
Revenue				
External revenue	2,888	55,820	0	58,708
Inter-segment revenue	0	0	0	0
	<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	0	17,869	0	17,869
Unallocated assets				<u>338</u>
				<u>72,359</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) %
	31/07/2017 S\$'000	31/07/2016 S\$'000	
(a) Sales reported for first half year	28,710	29,217	(1.74)
(b) Operating profit/(loss) after tax before deducting minority interests reported for first half year	174	(350)	NM
(c) Sales reported for second half year	28,401	29,491	(3.70)
(d) Operating profit after tax before deducting minority interests reported for second half year	1,267	637	98.90

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	774	774
Preference	0	0
Total :	774	774

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 2017 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	69	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	69	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	42	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 2017.

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	--	11,682,000
Khong Guan Biscuit Factory (Borneo) Sdn Bhd	--	4,219,000
Chung Ying Confectionery & Food Products Sdn Bhd	--	2,530,000
Leong Hong Oil Mill Sdn Bhd	--	1,216,000
Federal Oats Mills Sdn Bhd	--	247,000
Sales to		
Khian Guan Biscuit Manufacturing Co Sdn Bhd	--	335,000
Khong Guan Biscuit Factory (Johore) Sdn Bhd	--	179,000
Lian Seng Hang Sdn Bhd	--	983,000
Poh Seng Trading (Ipoh) Sdn Bhd	--	1,402,000
Soon Guan Chan Sdn Bhd	--	315,000
Soon Guan Co Sdn Bhd	--	138,000
Sunshine Traders Sdn Bhd	--	668,000
Thong Hong Trading Sdn Bhd	--	286,000

BY ORDER OF THE BOARD

KOE ENG CHUAN

Company Secretary

28 September 2017