



KHONG GUAN LIMITED
(Company Reg. No. 19600096G)

Full Year Financial Statement And Dividend Announcement for the Period Ended 31/07/2018

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		
		31/07/2018	31/07/2017	Increase/(Decrease)
		\$'000	\$'000	%
Income Statement	Notes			
Revenue		60,834	57,111	6.52
Other income	1	490	263	86.31
Changes in short-term investments	2	(412)	(1,429)	(71.17)
Changes in inventories		407	663	(38.61)
Purchases of short-term investments		(1,644)	(1,575)	4.38
Purchases of inventories		(52,453)	(47,758)	9.83
Employee benefits expense		(3,950)	(3,844)	2.76
Depreciation and amortisation expenses		(530)	(504)	5.16
Share of results of associates, net of tax	3	892	1,839	(51.50)
Other expenses	4	(1,959)	(2,797)	(29.96)
Profit before tax		1,675	1,969	(14.93)
Income tax expense	5	(433)	(482)	(10.17)
Profit for the financial year		<u>1,242</u>	<u>1,487</u>	(16.48)
Profit for the financial year attributable to :				
Equity holders of the Company		1,037	1,296	(19.98)
Non-controlling interests		205	191	7.33
		<u>1,242</u>	<u>1,487</u>	(16.48)

Statement of Comprehensive Income

		GROUP	
		31/07/2018	31/07/2017
		\$'000	\$'000
Profit for the financial year		1,242	1,487
Other comprehensive income :			
Items that may be subsequently reclassified to profit or loss:			
Share of associates' capital reserve		(45)	50
Translation differences relating to financial statements of foreign operations	*	2,092	(1,471)
Other comprehensive income, net of tax		<u>2,047</u>	<u>(1,421)</u>
Total comprehensive income for the financial year		<u>3,289</u>	<u>66</u>
Total comprehensive income attributable to :			
Equity holders of the Company		2,945	(27)
Non-controlling interests		344	93
		<u>3,289</u>	<u>66</u>

Note : *Due to the appreciation of Ringgit Malaysia against the Singapore Dollar.

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

	GROUP	
	31/07/2018 \$'000	31/07/2017 \$'000
(a) Investment income	153	193
(b) Interest income	140	134
(c) Interest on borrowings	0	0
(d) Depreciation and amortisation expenses	(530)	(504)
(e) Allowance for doubtful receivables made and bad debts written off	(53)	(441)
(f) Write off for stock obsolescence	0	0
(g) Impairment loss on unquoted investments	0	0
(h) Foreign exchange gain/(loss)	274	(133)
(i) Underprovision of tax in respect of prior years	2	0
(j) Profit on sale of quoted short-term investments	669	499
(k) Loss on disposal of long-term unquoted investments	0	(185)
(l) Profit on disposal of property, plant and equipment	9	2
(m) Fair value gain on short-term investments, unrealised	259	287

Notes :

1 Other income

	31/07/2018 \$'000	31/07/2017 \$'000
Interest income	140	134
Foreign exchange gain	274	-
Others	76	129
	<u>490</u>	<u>263</u>

2 Changes in short-term investments

	31/07/2018 \$'000	31/07/2017 \$'000
Purchases	1,644	1,575
Cost of sales		
Cost of investments sold	(1,919)	(3,366)
Fair value (gain)/loss, realised	(396)	75
	<u>(2,315)</u>	<u>(3,291)</u>
Fair value gain, unrealised	259	287
	<u>(412)</u>	<u>(1,429)</u>

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

4 The decrease is due mainly to a smaller allowance made for doubtful receivables (S\$53,000 in the current year compared with S\$441,000 in the previous year).

5 Income tax expense

	31/07/2018 \$'000	31/07/2017 \$'000
Current taxation		
- Malaysian tax	521	502
- tax deducted at source	2	2
Deferred taxation	(92)	(22)
Underprovision for taxation in prior years	2	0
	<u>433</u>	<u>482</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	
	31/07/2018 \$'000	31/07/2017 \$'000	31/07/2018 \$'000	31/07/2017 \$'000
ASSETS AND LIABILITIES				
Non-Current Assets				
Property, plant and equipment	3,261	3,295	269	342
Prepaid lease	1,519	1,485	0	0
Investment property	13,447	9,468	13,447	9,468
Investments in subsidiaries	0	0	18,287	18,287
Investments in associates	19,700	18,322	0	0
Long-term investment	24	22	0	0
	<u>37,951</u>	<u>32,592</u>	<u>32,003</u>	<u>28,097</u>

Current Assets

Inventories		7,684	6,872	8	0
Short-term investments	4	5,424	5,836	0	0
Trade receivables		11,208	10,115	318	480
Other receivables		783	570	350	229
Tax recoverable		396	333	0	0
Amounts owing by subsidiaries		0	0	3,542	5,415
Fixed deposits		4,201	9,352	4,133	9,282
Cash and bank balances		7,665	5,370	3,016	894
		37,361	38,448	11,367	16,300

Less

Current Liabilities

Trade payables		6,021	4,534	328	269
Other payables	5	1,831	1,425	1,332	981
		7,852	5,959	1,660	1,250

Net Current Assets

29,509	32,489	9,707	15,050
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Less

Non-Current Liabilities

Provision for retirement benefits		259	237	259	237
Deferred tax liabilities		403	488	0	0
		662	725	259	237
Net Assets		66,798	64,356	41,451	42,910

EQUITY

Share capital		33,279	33,279	33,279	33,279
Capital reserves		145	190	0	0
Foreign currency translation reserves	6	(8,522)	(10,475)	0	0
Retained profits		39,264	39,001	8,172	9,631
Attributable to equity holders of the Company		64,166	61,995	41,451	42,910
Non-controlling interests		2,632	2,361	0	0
Total Equity		66,798	64,356	41,451	42,910

Notes :

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

2 Investments in associates

	GROUP	
	31/07/2018 \$'000	31/07/2017 \$'000
Unquoted equity investments, at cost	12,035	12,035
Share of post-acquisition reserves	12,716	12,351
Share of capital reserve	145	190
Foreign currency translation reserves	(5,196)	(6,254)
	19,700	18,322

3 Long-term Investment

	GROUP		COMPANY	
	31/07/2018 \$'000	31/07/2017 \$'000	31/07/2018 \$'000	31/07/2017 \$'000
Unquoted equity investments, at cost	31	28	0	0
Less				
Impairment losses :				
Balance at beginning of the financial year	(6)	(346)	0	(340)
Disposal	0	340	0	340
Currency translation difference	(1)	0	0	0
Balance at end of the financial year	(7)	(6)	0	0
	24	22	0	0

The Group disposed of a long-term investment in the previous year.

4 Short-term Investments

	GROUP	
	31/07/2018 \$'000	31/07/2017 \$'000
Quoted investments, at fair value		
Balance at beginning of the financial year	5,836	7,265
Sales	(2,315)	(3,291)
Purchases	1,644	1,575
Fair value gain, unrealised	259	287
Balance at end of the financial year	<u>5,424</u>	<u>5,836</u>

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

6 The decrease is a result of the appreciation of Ringgit Malaysia against the Singapore Dollar.

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

	As at 31/07/2018		As at 31/07/2017	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'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 Company.

1(b)(iii) Additional information

	Short-term Quoted Securities \$	*Percentage of NTA
Cost as at 1 August 2017	6,009,015	9.36
Purchases	1,644,022	2.56
Cost of investments sold	(1,918,849)	(2.99)
Cost as at 31 July 2018	<u>5,734,188</u>	8.94
Fair value movements		
Balance as at 1 August 2017	(172,697)	(0.27)
Fair value gain, unrealised	258,957	0.40
Fair value gain, realised	(396,146)	(0.62)
Balance as at 31 July 2018	<u>(309,886)</u>	(0.48)
Fair value as at 31 July 2018	<u>5,424,302</u>	8.45
Fair value as at 31 July 2017	<u>5,836,318</u>	

* NTA (Net Tangible Assets Value) is based on the unaudited consolidated statement of financial position as at 31 July 2018.

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	
	31/07/2018	31/07/2017
	\$'000	\$'000
Cash flows from operating activities :		
Profit before tax	1,675	1,969
Adjustments for non-cash and other items :		
Allowance for doubtful trade receivables	53	441
Depreciation and amortisation expenses	530	504
Fair value gain on short-term investments	(259)	(287)
Profit on disposal of property, plant and equipment	(9)	(2)
Loss on disposal of long-term unquoted investments	0	185
Loss on disposal of a subsidiary's associate	0	41
Interest income	(140)	(134)
Provision for retirement benefits	22	20
Share of results of associates, net of tax	(892)	(1,839)
	(695)	(1,071)
Operating profit before working capital changes	980	898
Decrease in short-term investments	671	1,715
Increase in inventories	(407)	(663)
(Increase)/Decrease in trade and other receivables	(822)	31
Increase/(Decrease) in trade and other payables	1,608	(228)
	1,050	855
Cash generated from operations	2,030	1,753
Income tax paid	(522)	(505)
Interest received	140	134
Payments of retirement benefits	0	(90)
	(382)	(461)
Net cash generated from operating activities	1,648	1,292
Cash flows from investing activities :		
Purchase of property, plant and equipment	(320)	(172)
Addition to investment property	(3,979)	(4,356)
Proceeds from disposal of property, plant and equipment	9	2
Proceeds from disposal of long-term unquoted investment	0	721
Proceeds from disposal of a subsidiary's associate	0	115
Dividend received from associate	528	536
	(3,762)	(3,154)
Net cash used in investing activities	(2,114)	(1,862)
Cash flows from financing activities :		
Dividend paid by the Company	(774)	(774)
Dividends paid by subsidiaries to non-controlling interests	(73)	(71)
Net cash used in financing activities	(847)	(845)
Net decrease in cash and cash equivalents	(2,961)	(2,707)
Cash and cash equivalents at beginning of the financial year	14,722	17,489
Effects of currency translations on cash and cash equivalents	105	(60)
Cash and cash equivalents at end of the financial year	11,866	14,722
Fixed deposits	4,201	9,352
Cash and bank balances	7,665	5,370
	11,866	14,722

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 \$'000	Capital reserves \$'000	Foreign currency translation reserves \$'000	Retained profits \$'000	Total attributable to equity holders of Company \$'000	Non-controlling interests \$'000	Total equity \$'000
GROUP							
At 1 August 2016	33,279	140	(9,102)	38,479	62,796	2,339	65,135
Profit for the financial year	0	0	0	1,296	1,296	191	1,487
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)	1,296	(27)	93	66
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)	39,001	61,995	2,361	64,356
Profit for the financial year	0	0	0	1,037	1,037	205	1,242
Other comprehensive income for the financial year	0	(45)	1,953	0	1,908	139	2,047
Total comprehensive income for the financial year	0	(45)	1,953	1,037	2,945	344	3,289
Dividends paid by							
- the Company	0	0	0	(774)	(774)	0	(774)
- subsidiaries to non-controlling interests	0	0	0	0	0	(73)	(73)
At 31 July 2018	33,279	145	(8,522)	39,264	64,166	2,632	66,798

	Share capital \$'000	Retained profits \$'000	Total equity \$'000
COMPANY			
At 1 August 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)
Dividend paid	0	(774)	(774)
At 31 July 2017	33,279	9,631	42,910
Loss for the financial year	0	(685)	(685)
Other comprehensive income for the financial year	0	0	0
Total comprehensive income for the financial year	0	(685)	(685)
Dividends paid	0	(774)	(774)
At 31 July 2018	33,279	8,172	41,451

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 2018 was 25,812,520 (2017 : 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 2018 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 2017.

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 2017. 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	
	31/07/2018	31/07/2017
Net profit for the year attributable to equity holders of the Company	\$1,037,000	\$1,296,000
Weighted average number of ordinary shares in issue	25,812,520	25,812,520
Basic earnings per share (in cents)	4.02	5.02
Diluted earnings per share (in cents)	4.02	5.02

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	
	31/07/2018	31/07/2017	31/07/2018	31/07/2017
Net asset value per ordinary share based on total number of issued shares	\$2.49	\$2.40	\$1.61	\$1.66

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.

	31/07/2018 \$'000	31/07/2017 \$'000	(Decrease)/ Increase \$'000
Wheat flour and other consumer products trading			
Tong Guan Food Products Sdn Bhd ('TGF')	32,183	32,697	(514)
Swee Hin Chan Co Sdn Bhd ('SHC')	24,629	19,155	5,474
Others	1,144	1,277	(133)
	57,956	53,129	4,827
Investment trading			
Sales	2,725	3,789	(1,064)
Dividend income	153	193	(40)
	2,878	3,982	(1,104)
	<u>60,834</u>	<u>57,111</u>	<u>3,723</u>

The increase in Group turnover from \$57,111,000 to \$60,834,000 was attributed to the improved sales by a trading subsidiary, SHC, which recorded a 28.6% increase in sales from \$19,155,000 to \$24,629,000. SHC, based in Penang, deals in wheat flour, animal feed and imported starches.

Another trading subsidiary, TGF, operating in Sabah, saw a slight decline in turnover from \$32,697,000 to \$32,183,000 due to reductions in the quota of subsidised cooking oil as well as the loss of a major agency.

Despite the better sales performance from all segments, profit from SHC did not improve much as profit margins from wheat flour and animal feed were lower due to intense competition. The combined profit after tax of SHC and TGF improved slightly from \$1,345,000 to \$1,531,000.

Sales of short-term investments of \$2,725,000 was lower than that of last year's \$3,789,000 as the subsidiaries trading in shares were presented with limited opportunity to trade profitably.

In spite of a reduction in the sales of short-term investments, the trading profit for the year increased from \$499,000 to \$669,000. The unrealised fair value gain for the year was \$259,000 (2017 - \$287,000) while the fair value of short-term investments including unrealised fair value gain was \$5,424,000 (2017 - \$5,836,000).

United Malayan Flour (1996) Sdn Bhd ('UMF'), our 30% held associate, experienced tough market conditions across its business units. The increase in the cost of wheat grain and market competition both domestically and in its overseas export markets adversely affected UMF's results. Despite a marginal decline in turnover to \$79,781,000 (2017 - \$80,480,000), profit after taxation declined significantly to \$2,972,000 (2017 - \$6,146,000) on the back of higher raw material cost.

REDEVELOPMENT OF OUR HERITAGE BUILDING

The redevelopment of our heritage building has been completed, temporary occupation permit has been obtained and the Company has moved into the new premises. We have presently secured two tenants and will progressively lease out the remaining available space.

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

The increase in the cost of wheat grain without a corresponding increase in selling price affected the profit margin of UMF and the lower than expected sales of wheat flour and edible products by our trading subsidiaries, as explained above, resulted in lower profits in the second half.

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.

In spite of tough market conditions, our two trading subsidiaries are expected to improve certain aspects of their performances, as discussed below. SHC continues to explore new markets for imported starches to seek to achieve higher profit from increased sales. TGF, with the appointment of several new agencies would improve sales. Our flour milling associate, however, continues to face tough market conditions with higher raw material costs and market competition.

The Company expects to receive rental income from its newly completed heritage building but will incur additional depreciation and maintenance costs.

Our results are also subject to fluctuations in foreign exchange rates as the group's main operations are in Malaysia, and share market sentiments which may affect the fair value of our investments.

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	\$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	\$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 2018, will be paid on 18 December 2018.

(d) Books closure date

Registrable transfers received by the Company up to 5.00 p.m. on 5 December 2018 will be registered before entitlements to the dividend are determined. The transfer register will be closed on 6 December 2018 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 \$'000	Investment trading \$'000	Investment holding \$'000	Elimination \$'000	Group \$'000
31/07/2018					
Revenue					
External revenue	57,956	2,725	153		60,834
Inter-segment revenue	0	0	0		0
	<u>57,956</u>	<u>2,725</u>	<u>153</u>		<u>60,834</u>
Results					
Profit before interest, taxation and depreciation and amortisation	759	277	137		1,173
Depreciation and amortisation	(470)	(60)	0		(530)
Operating profit	<u>289</u>	<u>217</u>	<u>137</u>		643
Interest expense					0
Interest income					140
Share of results of associates, net of tax					892
Taxation					(433)
Profit after tax					<u>1,242</u>
Assets and Liabilities					
Segments assets	<u>46,920</u>	<u>7,865</u>	<u>82</u>		54,867
Associates					19,700
Unallocated assets					745
					<u>75,312</u>
Segments liabilities	<u>6,810</u>	<u>51</u>	<u>8</u>		6,869
Unallocated liabilities					1,645
					<u>8,514</u>
Other segments information					
Expenditure for non-current assets	4,299	0	0		4,299
Other non-cash items					
Allowance for doubtful trade receivables	53	0	0		53
Foreign exchange loss	0	0	0		0
	<u>0</u>	<u>0</u>	<u>0</u>		<u>0</u>
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	(75)	401	174		500
Depreciation and amortisation	(444)	(60)	0		(504)
Operating (loss)/profit	<u>(519)</u>	<u>341</u>	<u>174</u>		(4)
Interest expense					0
Interest income					134
Share of results of associates, net of tax					1,839
Taxation					(482)
Profit after tax					<u>1,487</u>

	Trading of wheat flour and consumer goods \$'000	Investment trading \$'000	Investment holding \$'000	Elimination \$'000	Group \$'000
Assets and Liabilities					
Segments assets	42,656	9,298	73		52,027
Associates					18,322
Unallocated assets					691
					<u>71,040</u>
Segments liabilities	5,296	51	8		5,355
Unallocated liabilities					1,329
					<u>6,684</u>

	Trading of wheat flour and consumer goods \$'000	Investment trading \$'000	Investment holding \$'000	Elimination \$'000	Group \$'000
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	129	4	0		133
					<u>133</u>

(II) BY GEOGRAPHICAL SEGMENTS

	Singapore \$'000	Malaysia \$'000	Group \$'000
31/07/2018			
Revenue			
External revenue	4,016	56,818	60,834
Inter-segment revenue	0	0	0
	<u>4,016</u>	<u>56,818</u>	<u>60,834</u>
Assets			
Segments assets	29,777	25,090	54,867
Associates	0	19,700	19,700
Unallocated assets			745
			<u>75,312</u>
31/07/2017			
Revenue			
External revenue	5,253	51,858	57,111
Inter-segment revenue	0	0	0
	<u>5,253</u>	<u>51,858</u>	<u>57,111</u>
Assets			
Segments assets	30,272	21,755	52,027
Associates	0	18,322	18,322
Unallocated assets			691
			<u>71,040</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) %
	31/07/2018 \$'000	31/07/2017 \$'000	
(a) Sales reported for first half year	28,781	28,710	0.25
(b) Operating profit after tax before deducting minority interests reported for first half year	913	174	424.71
(c) Sales reported for second half year	32,053	28,401	12.86
(d) Operating profit after tax before deducting minority interests reported for second half year	329	1,313	(74.94)

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 (\$'000)	Previous Full Year (\$'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 2018 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	70	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	70	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	43	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 2018.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$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 \$100,000)
	\$	\$
Purchases from		
Chung Ying Confectionery & Food Products Sdn Bhd	--	2,421,000
Federal Oats Mills Sdn Bhd	--	205,000
Khong Guan Biscuit Factory (Borneo) Sdn Bhd	--	4,631,000
Leong Hong Oil Mill Sdn Bhd	--	1,379,000
United Malayan Flour (1996) Sdn Bhd	--	12,990,000
Sales to		
Cereal Products (M) Sdn Bhd	188,000	--
Khian Guan Biscuit Manufacturing Co Sdn Bhd	--	734,000
Khong Guan Biscuit Factory (Johore) Sdn Bhd	--	326,000
Poh Seng Trading (Ipoh) Sdn Bhd	--	1,392,000
Soon Guan Co Sdn Bhd	--	108,000
Sunshine Traders Sdn Bhd	--	720,000

BY ORDER OF THE BOARD

KOE ENG CHUAN

Company Secretary

28 September 2018