



KHONG GUAN FLOUR MILLING LIMITED

(Company Reg. No. 196000096G)

Full Year Financial Statement And Dividend Announcement for the Period Ended 31/07/2015

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

GROUP				
Notes	31/07/2015 S\$'000	31/07/2014 S\$'000	Increase/(Decrease) %	
Revenue	62,036	61,991	0.07	
Other income	1	918	508	80.71
Changes in short-term investments	2	18	247	(92.71)
Changes in inventories		709	(78)	NM
Purchases of short-term investments		(2,470)	(2,570)	(3.89)
Purchases of inventories		(53,130)	(52,996)	0.25
Employee benefits expense		(3,978)	(3,761)	5.77
Depreciation and amortisation expenses	3	(531)	(430)	23.49
Finance costs		(2)	(6)	(66.67)
Share of results of associates, net of tax	4	1,541	1,280	20.39
Other expenses	5	(2,566)	(2,170)	18.25
Profit before tax		2,545	2,015	26.30
Income tax expense	6	(939)	(444)	111.49
Profit for the financial year		<u>1,606</u>	<u>1,571</u>	2.23
Profit for the financial year attributable to :				
Equity holders of the company		1,235	1,325	(6.79)
Non-controlling interests		371	246	50.81
		<u>1,606</u>	<u>1,571</u>	2.23

NM - Not Meaningful

Statement of Comprehensive Income

GROUP		
	31/07/2015 S\$'000	31/07/2014 S\$'000
Profit for the financial year	1,606	1,571
Other comprehensive income :		
Items that may be subsequently reclassified to profit or loss:		
Fair value loss on long-term unquoted investments	(34)	(42)
Reclassification of fair value gain on disposal of long-term unquoted investments	(325)	0
Share of associates' capital reserve	11	(24)
Reclassification of translation differences on disposal of an associate	(127)	0
Translating differences relating to financial statements of foreign operations	(2,963)	(340)
Total comprehensive (loss)/income for the financial year	<u>(1,832)</u>	<u>1,165</u>
Total comprehensive (loss)/income attributable to :		
Equity holders of the company	(1,994)	935
Non-controlling interests	162	230
	<u>(1,832)</u>	<u>1,165</u>

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

	31/07/2015 S\$'000	31/07/2014 S\$'000
(a) Investment income	254	216
(b) Interest income	164	188
(c) Interest on borrowings	(2)	(6)
(d) Depreciation expenses	(531)	(430)
(e) Allowance for doubtful receivables (made)/written back and bad debts written off	(19)	5
(f) Write off for stock obsolescence	0	(24)
(g) Impairment loss on unquoted investments	0	0
(h) Foreign exchange loss	(396)	(47)
(i) Overprovision of tax in respect of prior years	2	85
(j) Profit on sale of quoted short-term investments	208	257
(k) Profit on disposal of long-term unquoted investments	325	0
(l) Profit on disposal of property, plant and equipment	90	194
(m) Fair value loss on short-term investments, unrealised	(1,047)	(289)

Notes :

1 Other income comprises :-

	31/07/2015 S\$'000	31/07/2014 S\$'000
Profit on disposal of long-term unquoted investments	325	0
Transport charges received	106	0
Interest income and others	487	508
	<u>918</u>	<u>508</u>

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

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

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

	31/07/2015 S\$'000	31/07/2014 S\$'000
Purchases	2,470	2,570
Cost of sales		
Cost of investments sold	(1,459)	(2,137)
Fair value loss, realised	54	103
	(1,405)	(2,034)
Fair value loss, unrealised	(1,047)	(289)
	<u>18</u>	<u>247</u>

3 The higher depreciation charge is attributed to additional plant and equipment and a newly acquired warehouse including its renovation.

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

5 The weakening of the Ringgit against the Singapore dollar resulted in a higher foreign exchange loss for the year. EGM expenses incurred also increased the other expenses.

6 Income tax expense

	31/07/2015 S\$'000	31/07/2014 S\$'000
Current taxation		
- Malaysian tax	939	491
- tax deducted at source	2	3
Overprovision for taxation in prior years	(2)	(85)
Deferred taxation	0	35
	<u>939</u>	<u>444</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	
		31/07/2015 S\$'000	31/07/2014 S\$'000	31/07/2015 S\$'000	31/07/2014 S\$'000
ASSETS AND LIABILITIES					
Non-Current Assets					
Property, plant and equipment		3,739	3,172	993	406
Prepaid lease		1,792	2,019	0	0
Investment properties	1	4,217	3,879	4,217	3,879
Investments in subsidiaries		0	0	18,287	18,287
Investments in associates	2	18,235	21,825	0	2,843
Long-term investments	3	931	1,543	906	1,515
		28,914	32,438	24,403	26,930
Current Assets					
Inventories		6,175	6,008	29	50
Short-term investments	4	7,847	7,829	0	0
Trade receivables		10,700	10,046	335	376
Other receivables		225	230	135	64
Tax recoverable		11	280	0	0
Amounts owing by subsidiaries		0	0	4,973	4,486
Fixed deposits		16,587	16,819	16,512	16,740
Cash and bank balances		4,810	3,837	1,638	1,111
		46,355	45,049	23,622	22,827
Less					
Current Liabilities					
Trade payables		4,816	4,556	274	559
Other payables		822	768	524	496
Amounts owing to banks, secured		0	31	0	0
Provision for taxation		207	0	0	0
		5,845	5,355	798	1,055
Net Current Assets		40,510	39,694	22,824	21,772
Less					
Non-Current Liabilities					
Provision for retirement benefits		312	280	312	280
Deferred tax liabilities		577	628	0	0
		889	908	312	280
Net Assets		68,535	71,224	46,915	48,422
EQUITY					
Share capital		33,279	33,279	33,279	33,279
Capital reserves		104	452	0	359
Foreign currency translation reserves		(6,417)	(3,536)	0	0
Retained profits		39,195	38,734	13,636	14,784
Attributable to equity holders of the company		66,161	68,929	46,915	48,422
Non-controlling interests		2,374	2,295	0	0
Total Equity		68,535	71,224	46,915	48,422

Notes :

1 During the year, the company incurred professional fees for the redevelopment of the investment property.

2 Investments in associates were arrived as follows :-

	GROUP		COMPANY	
	31/07/2015 S\$'000	31/07/2014 S\$'000	31/07/2015 S\$'000	31/07/2014 S\$'000
Unquoted equity investments, at cost	12,328	14,948	0	4,816
Less				
Impairment losses :-				
Balance at beginning of the financial year	0	0	(1,973)	(1,935)
Movement during the financial year	0	0	0	(38)
Disposal	0	0	1,973	0
Balance at end of the financial year	0	0	0	(1,973)
	12,328	14,948	0	2,843
Share of post-acquisition reserves	9,927	9,364	0	0
Share of capital reserve	104	93	0	0
Foreign currency translation reserves	(4,124)	(2,580)	0	0
	18,235	21,825	0	2,843

Sale of the 40%-held associate, Henan Khong Guan Cereal And Oil Food Products Co Ltd, as announced before, was completed in April this year.

3 Long-term Investments were arrived as follows :-

	GROUP		COMPANY	
	31/07/2015 S\$'000	31/07/2014 S\$'000	31/07/2015 S\$'000	31/07/2014 S\$'000
Unquoted equity investments, at cost	1,289	1,289	1,246	1,246
Translation difference	(8)	(5)	0	0
	1,281	1,284	1,246	1,246
Less				
Impairment losses :-				
Balance at beginning of the financial year	(350)	(350)	(340)	(340)
Movement during the financial year	0	0	0	0
Balance at end of the financial year	(350)	(350)	(340)	(340)
	931	934	906	906
Unquoted equity investments, at fair value				
Balance at beginning of the financial year	609	651	609	651
Fair value loss	(34)	(42)	(34)	(42)
Disposal during the financial year	(575)	0	(575)	0
	0	609	0	609
Balance at end of the financial year	931	1,543	906	1,515

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

	GROUP	
	31/07/2015 S\$'000	31/07/2014 S\$'000
Quoted investments, at fair value		
Balance at beginning of the financial year	7,829	7,582
Sales	(1,405)	(2,034)
Purchases	2,470	2,570
Fair value loss, unrealised	(1,047)	(289)
Balance at end of the financial year	7,847	7,829

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

	As at 31/07/2015		As at 31/07/2014	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	0	0	31	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 NTA
	Cost as at 1 August 2014	6,874,438	0	6,874,438
Purchases	2,470,396	0	2,470,396	3.73
Cost of investments sold	(1,459,420)	0	(1,459,420)	(2.21)
Cost as at 31 July 2015	7,885,414	0	7,885,414	11.92
Fair value movements				
Balance as at 1 August 2014	954,525	0	954,525	1.44
Fair value loss, unrealised	(1,047,452)	0	(1,047,452)	(1.58)
Fair value loss, realised	54,121	0	54,121	0.08
Balance as at 31 July 2015	(38,806)	0	(38,806)	(0.06)
Fair value as at 31 July 2015	7,846,608	0	7,846,608	11.86
Fair value as at 31 July 2014	7,828,963	0	7,828,963	

* NTA (Net Tangible Assets Value) is based on the unaudited consolidated statement of financial position as at 31 July 2015

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	
	31/07/2015	31/07/2014
	S\$'000	S\$'000
Cash flows from operating activities :-		
Profit before tax	2,545	2,015
Adjustments for non-cash and other items :-		
Allowance for doubtful trade receivables	27	0
Allowance for obsolete inventories (no longer required)/required	(24)	24
Depreciation and amortisation expenses	531	430
Fair value loss on short-term investments	1,047	289
Gain on disposal of property, plant and equipment	(90)	(194)
Reclassification of fair value gain on disposal of long-term unquoted investments	(325)	0
Gain on disposal of an associate	(18)	0
Interest expense	2	6
Interest income	(164)	(188)
Provision for retirement benefits	32	24
Reversal of allowance for doubtful trade receivables	(8)	(5)
Share of results of associates, net of tax	(1,541)	(1,280)
	(531)	(894)
Operating profit before working capital changes	2,014	1,121
Increase in short-term investments	(1,065)	(536)
(Increase)/Decrease in inventories	(685)	54
Increase in trade and other receivables	(1,313)	(725)
Increase in trade and other payables	719	14
	(2,344)	(1,193)
Cash used in operations	(330)	(72)
Income tax paid	(762)	(398)
Interest paid	(2)	(6)
Interest received	164	188
	(600)	(216)
Net cash used in operating activities	(930)	(288)
Cash flows from investing activities :-		
Purchase of property, plant and equipment	(1,274)	(2,035)
Payment for lease	0	(1,530)
Addition to investment property	(338)	0
Proceeds from disposal of property, plant and equipment	90	250
Proceeds from disposal of long-term unquoted investment	575	0
Proceeds from disposal of an associate	3,004	0
Dividends received from associates	610	491
	2,667	(2,824)
Net cash generated from/(used in) investing activities	1,737	(3,112)
Cash flows from financing activities :-		
Dividend paid by the company	(774)	(774)
Dividends paid by subsidiaries to non-controlling interests	(83)	(82)
Net cash used in financing activities	(857)	(856)
Net increase/(decrease) in cash and cash equivalents	880	(3,968)
Cash and cash equivalents at beginning of the financial year	20,625	24,644
Effects of currency translations on cash and cash equivalents	(108)	(51)
Cash and cash equivalents at end of the financial year	21,397	20,625
Fixed deposits	16,587	16,819
Cash and bank balances	4,810	3,837
Bank overdraft	0	(31)
	21,397	20,625

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 2013	33,279	401	117	(3,212)	38,183	68,768	2,147	70,915
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 financial year	0	(42)	(24)	(324)	1,325	935	230	1,165
At 31 July 2014	33,279	359	93	(3,536)	38,734	68,929	2,295	71,224
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)
Total comprehensive income for the financial year	0	(359)	11	(2,881)	1,235	(1,994)	162	(1,832)
At 31 July 2015	33,279	0	104	(6,417)	39,195	66,161	2,374	68,535
COMPANY								
At 1 August 2013	33,279	401	0	0	15,481	49,161		
Dividend paid	0	0	0	0	(774)	(774)		
Total comprehensive income for the financial year	0	(42)	0	0	77	35		
At 31 July 2014	33,279	359	0	0	14,784	48,422		
Dividends paid	0	0	0	0	(774)	(774)		
Total comprehensive income for the financial year	0	(359)	0	0	(374)	(733)		
At 31 July 2015	33,279	0	0	0	13,636	46,915		

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 2015 was 25,812,520 (2014 : 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 2015 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 2014.

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	
	31/07/2015	31/07/2014
Net profit for the year attributable to equity holders of the company	S\$1,235,000	S\$1,325,000
Weighted average number of ordinary shares in issue	25,812,520	25,812,520
Basic earnings per share (in cents)	4.78	5.13
Diluted earnings per share (in cents)	4.78	5.13

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	
	31/07/2015	31/07/2014	31/07/2015	31/07/2014
Net asset value per ordinary share based on total number of issued shares	S\$2.56	S\$2.67	S\$1.82	S\$1.88

Due to the weakening of the Ringgit, the group suffered an other comprehensive loss of S\$2,881,000 arising from the currency translation to the financial statements of foreign operations resulting in the decrease in net asset value per ordinary share.

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

	31/07/2015 S\$'000	31/07/2014 S\$'000	Increase/ (Decrease) S\$'000
Wheat flour and other consumer products trading			
Tong Guan Food Products Sdn Bhd ('TGF')	35,913	34,917	996
Swee Hin Chan Co Sdn Bhd ('SHC')	22,299	22,326	(27)
Others	1,956	2,241	(285)
	60,168	59,484	684
Investment trading			
Sales	1,614	2,291	(677)
Dividend income	254	216	38
	1,868	2,507	(639)
	<u>62,036</u>	<u>61,991</u>	<u>45</u>

During the year, the two trading subsidiaries in Malaysia performed better and improved their operating results. The turnover of TGF increased by RM5,197,000 (from RM90,062,000 to RM95,259,000) due mainly to the sale of additional products such as refined edible oil, canned food and TCM products. SHC turnover increased by RM1,562,000 (from RM57,585,000 to RM59,147,000) due to improved sales of wheat flour and edible starches.

The uninspiring trading sentiments in the local stock market caused a further reduction in our sales of short-term investments (from S\$2,291,000 to S\$1,614,000) as the group adopted a cautious approach in the face of market uncertainties.

Overall, despite the improved turnover from TGF and SHC, group turnover reported in Singapore dollars increased only marginally from S\$61,991,000 to S\$62,036,000 due to the weakening Ringgit as well as a reduction in sales of short-term investments.

Contributing components of profit for the year were :-

	31/07/2015 S\$'000	31/07/2014 S\$'000
Pre-tax profits of two principal Malaysian subsidiaries	3,612	2,389
Share of results of associates, net of tax	1,541	1,280
Foreign exchange loss, unrealised	(396)	(47)
Fair value loss on short-term investments, unrealised	(1,047)	(289)
Profit on disposal of property, plant and equipment	90	194
Profit on disposal of long-term unquoted investments	325	0
Income tax expense	(939)	(444)
	<u>3,186</u>	<u>3,083</u>

The two trading subsidiaries in Malaysia have made steady progress and their combined profit before taxation for the year increased from S\$2,389,000 to S\$3,612,000. SHC made a modest increase in profit while TGF's profit rose significantly through the increase in the sales of non-edible products with higher profit margin. The profit would have been better had it not been for the weakening Ringgit.

The turnover and profitability of our 30% held associate, United Malayan Flour (1996) Sdn Bhd ('UMF') increased from RM233,823,000 to RM251,254,000 and RM10,931,000 to RM13,465,000 respectively. This has resulted in our share of the result of UMF increasing by 19.8% (from S\$1,271,000 to S\$1,523,000). The two mills operated by UMF and one of its subsidiaries, Federal Oats Mills Sdn Bhd, have completed their upgrading and replacement of new milling equipment. These have resulted in improved efficiency with better quality products.

The bearish sentiment in the local stock market had impacted our short-term investment trading and also gave rise to unrealised fair value loss of S\$1,047,000 (2014 : S\$289,000).

REDEVELOPMENT OF HERITAGE BUILDING

The redevelopment of the existing heritage building is progressing as scheduled and tenders have been received and are being reviewed. The building project is expected to be completed within two years from the date of award of the contract.

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 operating results of our trading subsidiaries are expected to continue to improve as these subsidiaries are in a position to take advantage of enlarged storage capacity and the appointment of new agencies for distribution of other higher-margin products.

Though the wheat flour industry in Malaysia remains competitive, the operational efficiency with newly installed milling equipment for flour and oats production of the UMF group would enhance profitability.

Trading in short-term investments remains difficult as the financial markets are clouded with uncertainties.

The directors are cautiously optimistic of the group achieving better results in the coming financial year. However, as the group operates substantially in Malaysia, our operating results could be affected by the fluctuation of the Ringgit.

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 2015, will be paid on 14 December 2015.

(d) Books closure date

Registrable transfers received by the Company up to 5.00 p.m. on 4 December 2015 will be registered before entitlements to the dividend are determined. The transfer register will be closed on 7 December 2015 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
31/07/2015					
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					(939)
Profit after tax					<u>1,606</u>
Assets and Liabilities					
Segments assets	<u>46,377</u>	<u>9,630</u>	<u>972</u>		<u>56,979</u>
Associates					18,235
Unallocated assets					55
					<u>75,269</u>
Segments liabilities	<u>5,630</u>	<u>51</u>	<u>8</u>		<u>5,689</u>
Unallocated liabilities					1,045
					<u>6,734</u>
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	385	11	0		396
	<u>385</u>	<u>11</u>	<u>0</u>		<u>396</u>
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 and amortisation	1,174	(397)	206		983
Depreciation and amortisation	(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>43,623</u>	<u>9,981</u>	<u>1,696</u>		<u>55,300</u>
Associates					21,825
Unallocated assets					362
					<u>77,487</u>
Segments liabilities	<u>5,368</u>	<u>48</u>	<u>7</u>		<u>5,423</u>
Unallocated liabilities					840
					<u>6,263</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	3,554	11	0		3,565
Other non-cash items					
Foreign exchange loss	43	4	0		47
Stocks written off	24	0	0		24

(II) BY GEOGRAPHICAL SEGMENTS

	Singapore S\$'000	Malaysia S\$'000	China S\$'000	Group S\$'000
31/07/2015				
Revenue				
External revenue	3,818	58,218	0	62,036
Inter-segment revenue	0	0	0	0
	<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	0	18,235	-	18,235
Unallocated assets				55
				<u>75,269</u>
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	33,362	21,032	906	55,300
Associates	0	18,981	2,844	21,825
Unallocated assets				362
				<u>77,487</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) %
	31/07/2015 S\$'000	31/07/2014 S\$'000	
(a) Sales reported for first half year	31,385	30,485	2.95
(b) Operating profit after tax before deducting minority interests reported for first half year	176	167	5.39
(c) Sales reported for second half year	30,651	31,506	(2.71)
(d) Operating profit after tax before deducting minority interests reported for second half year	1,430	1,404	1.85

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 2015 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	67	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	67	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 2015.

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	--	12,528,000
Khong Guan Biscuit Factory (Borneo) Sdn Bhd	--	4,652,000
Chung Ying Confectionery & Food Products Sdn Bhd	--	3,013,000
Leong Hong Oil Mill Sdn Bhd	--	1,995,000
Federal Oats Mills Sdn Bhd	--	240,000
Sales to		
Khian Guan Biscuit Manufacturing Co Sdn Bhd	--	464,000
Khong Guan Biscuit Factory (Johore) Sdn Bhd	--	136,000
Lian Guan Food Products Sdn Bhd	--	143,000
Lian Seng Hang Sdn Bhd	--	1,165,000
Poh Seng Trading (Ipoh) Sdn Bhd	--	1,724,000
Soon Guan Chan Sdn Bhd	--	469,000
Soon Guan Co Sdn Bhd	--	262,000
Sunshine Traders Sdn Bhd	--	653,000
Thong Hong Trading Sdn Bhd	--	554,000

BY ORDER OF THE BOARD
KOE ENG CHUAN
Company Secretary
29 September 2015