



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

Full Year Financial Statement And Dividend Announcement for the Period Ended 31/07/2020

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) %	
	31/7/2020 \$'000	31/7/2019 \$'000		
Revenue	60,508	58,990	2.57	
Dividend income	125	158	(20.89)	
Other net changes in fair value on financial assets at fair value through profit or loss	1	(508)	(112)	353.57
Other income	2	713	296	140.88
Changes in inventories		546	(788)	NM
Purchases of inventories		(55,295)	(52,824)	4.68
Employee benefits expense		(4,384)	(4,334)	1.15
Depreciation and amortisation expenses	3	(848)	(732)	15.85
Share of results of associate, net of tax	4	1,929	975	97.85
Finance costs		(7)	-	NM
Other expenses		(2,245)	(2,116)	6.10
Profit/(Loss) before tax		534	(487)	(209.65)
Income tax expense	5	(344)	(94)	265.96
Profit/(Loss) for the financial year		190	(581)	(132.70)
Profit/(Loss) for the financial year attributable to :				
Equity holders of the Company		50	(693)	(107.22)
Non-controlling interests		140	112	25.00
		190	(581)	(132.70)

NM - Not Meaningful

Statement of Comprehensive Income

	GROUP	
	31/7/2020 \$'000	31/7/2019 \$'000
Profit/(Loss) for the financial year	190	(581)
Other comprehensive income :		
Items that will not be reclassified to profit or loss:		
Net fair value loss on equity investments at fair value through other comprehensive income	-	(16)
Share of associate's capital reserve on financial assets, at fair value through other comprehensive income	(21)	(18)
Items that may be reclassified subsequently to profit or loss:		
Translation differences relating to financial statements of foreign operations	@ (1,032)	(389)
Other comprehensive income, net of tax	(1,053)	(423)
Total comprehensive income for the financial year	(863)	(1,004)
Total comprehensive income attributable to :		
Equity holders of the Company	(936)	(1,089)
Non-controlling interests	73	85
	(863)	(1,004)

Note : @Due to the weakening of Ringgit Malaysia against the Singapore Dollar.

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

	GROUP	
	31/7/2020 \$'000	31/7/2019 \$'000
(a) Investment income	125	158
(b) Interest income	66	106
(c) Interest on borrowings	(7)	-
(d) Depreciation and amortisation expenses	(848)	(732)
(e) Allowance for doubtful receivables (made)/written back and bad debts written off	(98)	12
(f) Write off for stock obsolescence	(115)	(130)
(g) Impairment in value of investments	-	-
(h) Foreign exchange loss	(73)	(83)
(i) Over/(Under)provision of tax in respect of prior years	49	(63)
(j) Profit on disposal of property, plant and equipment	-	-

Notes :

1 Other net changes in fair value on financial assets at fair value through profit or loss	31/7/2020 \$'000	31/7/2019 \$'000
(Loss)/Gain on sale of quoted short-term investments	(110)	83
Fair value loss on short-term investments, unrealised	(398)	(195)
	<u>(508)</u>	<u>(112)</u>

2 Other income	31/7/2020 \$'000	31/7/2019 \$'000
Interest income	66	106
Rental income	170	138
Government grant	206	7
Insurance claim	43	-
Unclaimed dividends	161	-
Others	67	45
	<u>713</u>	<u>296</u>

3 Depreciation and amortisation expenses	31/7/2020 \$'000	31/7/2019 \$'000
Property, plant and equipment *	510	509
Prepaid lease *	-	51
Right-of-use assets *	140	-
Investment property	198	172
	<u>848</u>	<u>732</u>

Note : *refer item 1(b)(i) and item 5 for explanation

4 Refer item 8 for explanation

5 Income tax expense	31/7/2020 \$'000	31/7/2019 \$'000
Current taxation		
- Malaysian tax	395	333
- tax deducted at source	2	2
Deferred taxation	(4)	(304)
(Over)/Underprovision for taxation in prior years	(49)	63
	<u>344</u>	<u>94</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		
	31/7/2020 \$'000	31/7/2019 \$'000	31/7/2020 \$'000	31/7/2019 \$'000	
ASSETS AND LIABILITIES					
Non-Current Assets					
Property, plant and equipment	1	4,951	5,122	832	966
Prepaid lease	2	-	1,453	-	-
Right-of-use assets	2	2,380	-	-	-
Investment property		13,604	13,897	13,604	13,897
Investments in subsidiaries		-	-	18,287	18,287
Investment in associate	3	21,076	20,059	-	-
Financial assets, at fair value through other comprehensive income ("FVOCI")		271	279	-	-
Deferred tax assets		16	-	-	-
		<u>42,298</u>	<u>40,810</u>	<u>32,723</u>	<u>33,150</u>

Current Assets

Inventories	4	7,180	6,816	14	-
Short-term investments	5	2,931	4,657	-	-
Trade receivables	4	10,272	9,831	316	295
Other receivables		356	523	137	87
Tax recoverable		184	235	-	-
Amounts owing by subsidiaries		-	-	1,378	2,813
Fixed deposits		2,260	2,275	2,211	2,206
Cash and bank balances		6,374	6,877	2,353	2,933
		<u>29,557</u>	<u>31,214</u>	<u>6,409</u>	<u>8,334</u>

Less

Current Liabilities

Trade payables	4	6,547	4,313	302	188
Lease liabilities		59	-	-	-
Other payables	6	1,477	2,451	535	1,452
		<u>8,083</u>	<u>6,764</u>	<u>837</u>	<u>1,640</u>

Net Current Assets

21,474 24,450

5,572 6,694

Less

Non-Current Liabilities

Provision for retirement benefits		260	280	260	280
Lease liabilities		66	-	-	-
Deferred tax liabilities		68	98	-	-
		<u>394</u>	<u>378</u>	<u>260</u>	<u>280</u>

Net Assets

63,378 64,88238,035 39,564**EQUITY**

Share capital		33,279	33,279	33,279	33,279
Capital reserves		336	357	-	-
Foreign currency translation reserve		624	1,589	-	-
Retained profits		<u>26,607</u>	<u>27,073</u>	<u>4,756</u>	<u>6,285</u>
Attributable to equity holders of the Company		60,846	62,298	38,035	39,564
Non-controlling interests		<u>2,532</u>	<u>2,584</u>	<u>-</u>	<u>-</u>
Total Equity		<u>63,378</u>	<u>64,882</u>	<u>38,035</u>	<u>39,564</u>

Notes :

- 1 A Malaysian subsidiary had completed the construction of a new warehouse and office block during the financial year and reclassified property, plant and equipment under finance lease to right-of-use assets with the adoption of SFRS(I) 16 Leases.
- 2 Refer to item 5 for explanation.
- 3 Investment in associate

GROUP

	31/7/2020	31/7/2019
	\$'000	\$'000
Unquoted equity investments, at cost	12,035	12,035
Share of post-acquisition reserve	14,863	13,287
Share of capital reserve	106	127
Foreign currency translation reserve	<u>(5,928)</u>	<u>(5,390)</u>
	<u>21,076</u>	<u>20,059</u>

- 4 Inventories, trade payables and receivables increased following the acquisition of a new distributorship by TGF.

- 5 Short-term Investments

GROUP

	31/7/2020	31/7/2019
	\$'000	\$'000
Quoted investments, at fair value		
Balance at beginning of the financial year	4,657	5,424
Sales	(1,836)	(2,463)
Purchases	508	1,891
Fair value loss, unrealised	<u>(398)</u>	<u>(195)</u>
Balance at end of the financial year	<u>2,931</u>	<u>4,657</u>

6 Other payables was lower due to the final settlement of amounts owing to the Company's building contractor.

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

	As at 31/7/2020		As at 31/7/2019	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand	-	-	-	-
Amount repayable after one year	-	-	-	-
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 \$'000	*Percentage of NTA
Cost as at 1 August 2019	5,623	9.24
Purchases	508	0.83
Cost of investments sold	(2,480)	(4.08)
Cost as at 31 July 2020	<u>3,651</u>	6.00
Fair value movements		
Balance as at 1 August 2019	(966)	(1.59)
Fair value loss, realised	644	1.06
Fair value loss, unrealised	(398)	(0.65)
Balance as at 31 July 2020	<u>(720)</u>	(1.18)
Fair value as at 31 July 2020	<u>2,931</u>	4.82
Fair value as at 31 July 2019	<u>4,657</u>	

* NTA (Net Tangible Assets Value) is based on the unaudited consolidated statement of financial position as at 31 July 2020.

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	
	31/7/2020 \$'000	31/7/2019 \$'000
Cash flows from operating activities :		
Profit/(Loss) before tax	534	(487)
Adjustments for non-cash and other items :		
Allowance for doubtful trade receivables	117	14
Bad debts written off	8	-
Depreciation and amortisation expenses	848	732
Fair value loss on short-term investments	398	195
Gain on disposal of financial assets, at FVOCI	(1)	-
Interest expense	7	-
Interest income	(66)	(106)
Provision for retirement benefits	15	21
Reversal of allowance for doubtful trade receivables	(27)	(26)
Share of results of associate, net of tax	(1,929)	(975)
	<u>(630)</u>	<u>(145)</u>
Operating loss before working capital changes	(96)	(632)
Decrease in short-term investments	1,328	572
(Increase)/Decrease in inventories	(546)	788
(Increase)/Decrease in trade and other receivables	(587)	1,464
Increase/(Decrease) in trade and other payables	1,517	(1,022)
	<u>1,712</u>	<u>1,802</u>
Cash generated from operations	1,616	1,170

Income tax paid	(388)	(399)
Interest received	66	106
Payment of retirement benefits	(35)	-
	(357)	(293)
Net cash generated from operating activities	1,259	877
Cash flows from investing activities :		
Purchase of property, plant and equipment	(1,368)	(2,443)
Addition to investment property	-	(622)
Proceeds from disposal of property, plant and equipment	-	57
Proceeds from disposal of financial assets, at FVOCI	2	-
Dividend received from associate	353	353
Net cash used in investing activities	(1,013)	(2,655)
	246	(1,778)
Cash flows from financing activities :		
Dividend paid by the Company	(516)	(774)
Dividends paid by subsidiaries to non-controlling interests	(125)	(132)
Repayment of lease liabilities	(56)	-
Lease liabilities interest paid	(7)	-
Net cash used in financing activities	(704)	(906)
Net decrease in cash and cash equivalents	(458)	(2,684)
Cash and cash equivalents at beginning of the financial year	9,152	11,866
Effects of currency translations on cash and cash equivalents	(60)	(30)
Cash and cash equivalents at end of the financial year	8,634	9,152
Fixed deposits	2,260	2,275
Cash and bank balances	6,374	6,877
	8,634	9,152

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 reserve \$'000	Retained profits \$'000	Total attributable to equity holders of Company \$'000	Non-controlling interests \$'000	Total equity \$'000
GROUP							
At 31 July 2018 (as previously stated)	33,279	145	(8,522)	39,264	64,166	2,632	66,798
Effects of adoption of SFRS(I)	-	244	10,475	(10,724)	(5)	(1)	(6)
At 1 August 2018 (restated)	33,279	389	1,953	28,540	64,161	2,631	66,792
(Loss)/Profit for the financial year	-	-	-	(693)	(693)	112	(581)
Other comprehensive income for the financial year	-	(32)	(364)	-	(396)	(27)	(423)
Total comprehensive income for the financial year	-	(32)	(364)	(693)	(1,089)	85	(1,004)
Dividends paid by							
- the Company	-	-	-	(774)	(774)	-	(774)
- subsidiaries to non-controlling interests	-	-	-	-	-	(132)	(132)
At 31 July 2019	33,279	357	1,589	27,073	62,298	2,584	64,882
At 1 August 2019	33,279	357	1,589	27,073	62,298	2,584	64,882
Profit for the financial year	-	-	-	50	50	140	190
Other comprehensive income for the financial year	-	(21)	(965)	-	(986)	(67)	(1,053)
Total comprehensive income for the financial year	-	(21)	(965)	50	(936)	73	(863)
Dividends paid by							
- the Company	-	-	-	(516)	(516)	-	(516)
- subsidiaries to non-controlling interests	-	-	-	-	-	(125)	(125)
At 31 July 2020	33,279	336	624	26,607	60,846	2,532	63,378
	Share capital \$'000	Retained profits \$'000	Total equity \$'000				
COMPANY							
At 1 August 2018	33,279	8,172	41,451				
Loss for the financial year	-	(1,113)	(1,113)				
Other comprehensive income for the financial year	-	-	-				
Total comprehensive income for the financial year	-	(1,113)	(1,113)				
Dividend paid	-	(774)	(774)				
At 31 July 2019	33,279	6,285	39,564				

At 1 August 2019	33,279	6,285	39,564
Loss for the financial year	-	(1,013)	(1,013)
Other comprehensive income for the financial year	-	-	-
Total comprehensive income for the financial year	-	(1,013)	(1,013)
Dividend paid	-	(516)	(516)
At 31 July 2020	33,279	4,756	38,035

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 2020 was 25,812,520 (2019 : 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 2020 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 period as compared with the most recent audited financial statements for the year ended 31 July 2019 except for the adoption of new/revised SFRS(I)s and Interpretation of SFRS(I)s ('SFRS(I) INT') applicable for the financial year beginning on 1 August 2019 as stated in item 5.

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.

SFRS(I) 16 Leases ("SFRS(I) 16")

SFRS(I) 16 results in leases being recognised on the statement of financial position as the distinction between operating and finance leases is removed. Under the new accounting standard, an asset recognising the right-of-use of the leased item and a lease liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. Lessor accounting remains largely similar to the previous accounting standard.

The Group has applied SFRS(I) 16 from 1 August 2019 and the modified retrospective approach is used with no restatement of comparative amounts for the year prior to first adoption.

On 1 August 2019, the Group recognised right-of-use assets and lease liabilities of \$87,000.

The following table presents the impact of changes to the statement of financial position of the Group resulting from the adoption of SFRS(I) 16 as at 1 August 2019:

	As at 1 August 2019	Effects of adoption of SFRS(I) 16	As at 1 August 2019
Property, plant and equipment	5,122	(947)	4,175
Prepaid lease	1,453	(1,453)	-
Right-of-use assets	-	2,487	2,487
Lease liabilities	-	(87)	(87)
	<u>6,575</u>	<u>-</u>	<u>6,575</u>

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	
	31/7/2020	31/7/2019
Net profit/(loss) for the year attributable to equity holders of the Company	\$50,000	(\$693,000)
Weighted average number of ordinary shares in issue	25,812,520	25,812,520
Basic earnings per share (in cents)	0.19	(2.68)
Diluted earnings per share (in cents)	0.19	(2.68)

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	
	31/7/2020	31/7/2019	31/7/2020	31/7/2019
Net asset value per ordinary share based on total number of issued shares	\$2.36	\$2.41	\$1.47	\$1.53

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.

	31/7/2020 \$'000	31/7/2019 \$'000	(Decrease)/ Increase \$'000
Wheat flour and other consumer products trading			
Tong Guan Food Products Sdn Bhd ('TGF')	34,052	31,079	2,973
Swee Hin Chan Co Sdn Bhd ('SHC')	25,116	26,699	(1,583)
Others	1,340	1,212	128
	<u>60,508</u>	<u>58,990</u>	1,518

In spite of market competition and weak economic conditions brought about by the COVID-19 pandemic and Movement Control Order ('MCO') imposed in Malaysia, the Group managed an increase in turnover from \$58,990,000 to \$60,508,000 mainly due to the award of a distributorship of a range of popular food products to TGF.

In addition to the improved sales arising from the new distributorship, TGF sales of biscuits and other non-edible goods also improved resulting in an overall increase in its turnover by 9.5% to \$34,052,000. However, the subsidiary operating in Penang, SHC registered a 5.9% decline in turnover due to a decrease in sales from the animal feed segment.

The combined profit after tax for TGF and SHC for the year was \$1,031,000, a 24% improvement over the previous year. This was partly due to the improved overall performance of TGF as well as better margin from the sales of imported starches by SHC.

The increase in demand for wheat flour, its by-products, rolled and instant oats and vegetable oil elevated the group turnover of our associate, United Malayan Flour (1996) Sdn Bhd 'UMF' from \$77,120,000 to \$84,709,000. Despite the increase in the cost of raw oats and the higher depreciation of the new oat milling plant, the UMF group net profit increased to \$6,431,000 from the previous year's \$3,249,000 due to the utilisation of tax allowances and accounting for deferred tax assets.

The depressed stock market has resulted in an increase in the provision for unrealised fair value loss of \$398,000 (2019: \$195,000).

Except for one unit, the company has tenanted out all its available lettable office units. The rental income will constitute another source of income and increase the cashflow in the coming years.

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

The Company had previously issued an announcement dated 1 September 2020 providing guidance on an expected loss for the year ended 31 July 2020 in part due to the increased provision amounting to \$398,000 for fair value loss on short-term quoted securities.

Despite the provision of fair value loss on short-term quoted securities, the Company, at variance to its earlier guidance, is announcing a profit for the year ended 31 July 2020. This is mainly due to the increase in share of results of associate arising from the recognition of deferred tax asset from reinvestment allowance related to the new oat milling plant, which was confirmed to the Company shortly before the date of this announcement.

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 subsidiaries in Malaysia are operating under challenging trading conditions due to the uncertainties caused by the COVID-19 pandemic. However, the products carried by the subsidiaries are mostly basic food essentials, the demand of which are not expected to be significantly affected by the economic downturn arising from the pandemic.

In addition, as the group's trading and manufacturing operations are in Malaysia, fluctuations in foreign exchange rates and economic conditions may affect the group's operating results and the value of its investments.

The trading of short-term investments by the subsidiaries in Singapore have been scaled down under existing market conditions.

As such, the directors envisage a challenging year ahead.

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	\$0.02 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	\$0.02 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 2020, will be paid on 14 December 2020.

(d) Books closure date

Registrable transfers received by the Company up to 5.00 p.m. on 4 December 2020 will be registered before entitlements to the dividend are determined. The transfer register will be closed on 7 December 2020 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
31/7/2020					
Revenue					
External revenue	60,508	-	-		60,508
Inter-segment revenue	-	-	-		-
	<u>60,508</u>	<u>-</u>	<u>-</u>		<u>60,508</u>
Results					
(Loss)/Profit before interest, taxation and depreciation and amortisation	175	(891)	110		(606)
Depreciation and amortisation	(790)	(58)	-		(848)
Operating (loss)/profit	<u>(615)</u>	<u>(949)</u>	<u>110</u>		<u>(1,454)</u>
Interest expense					(7)
Interest income					66
Share of results of associate, net of tax					1,929
Taxation					<u>(344)</u>
Profit after tax					<u>190</u>
Assets and Liabilities					
Segments assets	<u>45,167</u>	<u>4,914</u>	<u>316</u>		<u>50,397</u>
Associate					21,076
Unallocated assets					<u>382</u>
					<u>71,855</u>
Segments liabilities	<u>8,114</u>	<u>43</u>	<u>5</u>		<u>8,162</u>
Unallocated liabilities					<u>315</u>
					<u>8,477</u>
Other segments information					
Expenditure for non-current assets	1,368	-	-		1,368
Other non-cash items					
Allowance for doubtful trade receivables	98	-	-		98
Inventory written off	115	-	-		115
Foreign exchange loss	<u>71</u>	<u>2</u>	<u>-</u>		<u>73</u>
31/7/2019					
Revenue					
External revenue	58,990	-	-		58,990
Inter-segment revenue	-	-	-		-
	<u>58,990</u>	<u>-</u>	<u>-</u>		<u>58,990</u>
Results					
(Loss)/Profit before interest, taxation and depreciation and amortisation	(442)	(524)	130		(836)
Depreciation and amortisation	(672)	(60)	-		(732)
Operating (loss)/profit	<u>(1,114)</u>	<u>(584)</u>	<u>130</u>		<u>(1,568)</u>
Interest expense					-
Interest income					106
Share of results of associate, net of tax					975
Taxation					<u>(94)</u>
Loss after tax					<u>(581)</u>

	Trading of wheat flour and consumer goods \$'000	Investment trading \$'000	Investment holding \$'000	Elimination \$'000	Group \$'000
Assets and Liabilities					
Segments assets	44,194	6,836	313		51,343
Associate					20,059
Unallocated assets					622
					<u>72,024</u>
Segments liabilities	5,461	52	8		5,521
Unallocated liabilities					1,621
					<u>7,142</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	3,065	-	-		3,065
Other non-cash items					
Inventory written off	130	-	-		130
Foreign exchange loss	82	1	-		83
					<u>83</u>

(II) BY GEOGRAPHICAL SEGMENTS

	Singapore \$'000	Malaysia \$'000	Group \$'000
31/7/2020			
Revenue			
External revenue	1,340	59,168	60,508
Inter-segment revenue	-	-	-
	<u>1,340</u>	<u>59,168</u>	<u>60,508</u>
Assets			
Segments assets	24,586	25,811	50,397
Associate	21,076	-	21,076
Unallocated assets			382
			<u>71,855</u>
31/7/2019			
Revenue			
External revenue	1,212	57,778	58,990
Inter-segment revenue	-	-	-
	<u>1,212</u>	<u>57,778</u>	<u>58,990</u>
Assets			
Segments assets	27,522	23,821	51,343
Associate	-	20,059	20,059
Unallocated assets			622
			<u>72,024</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) %
	31/7/2020 \$'000	31/7/2019 \$'000	
(a) Sales reported for first half year	29,078	31,831	(8.65)
(b) Operating loss after tax before deducting minority interests reported for first half year	(565)	(561)	0.71
(c) Sales reported for second half year	31,430	27,159	15.73
(d) Operating profit/(loss) after tax before deducting minority interests reported for second half year	755	(20)	(3,875.00)

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 Preference	516	774
Total :	-	-
	516	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 2020 to be false or misleading in any material aspect.

18 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in appendix 7.7) under rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in appendix 7.7 under rule 720(1) of the Listing Manual.

19 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	72	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	72	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	45	Son of Mr Chew Soo Eng	Executive Director In charge of procurement of raw materials shipping freights and logistics	Nil
Chew Kian Hong Michael	39	Son of Mr Chew Soo Eng	Director of a Subsidiary Company In charge of business operations and development.	Nil

20 Other Announcements

Aggregate value of Interest Person Transactions entered into for the year ended 31 July 2020.

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	--	2,360,000
Federal Oats Mills Sdn Bhd	--	185,000
Khong Guan Biscuit Factory (Borneo) Sdn Bhd	--	4,612,000
Leong Hong Oil Mill Sdn Bhd	--	279,000
United Malayan Flour (1996) Sdn Bhd	--	12,714,000
Sales to		
Khian Guan Biscuit Manufacturing Co Sdn Bhd	--	678,000
Khong Guan Biscuit Factory (Johore) Sdn Bhd	--	297,000
Poh Seng Trading (Ipoh) Sdn Bhd	--	1,111,000
Sunshine Traders Sdn Bhd	--	594,000
Corporate Guarantee to third parties on behalf of Tong Guan Food Products Sdn Bhd:		
Third parties are:		
F & N Beverages Marketing Sdn Bhd	934,000	
DKSH Malaysia Sdn Bhd	782,000	

Note: During the financial year ended 31 July 2020, the Company had provided corporate guarantees to two suppliers of TGFP a majority-owned subsidiary of the Company, for goods supplied to TGF not exceeding the sum of RM4,870,000 and RM3,000,000 respectively.

BY ORDER OF THE BOARD
KOE ENG CHUAN
Company Secretary
29 September 2020