



*Every Cup's  
A Work of Art*

Annual Report 2011



## CORPORATE Profile

From its humble beginnings since 1988 in a small rented factory as its first premises, Viz Branz Limited – formerly known as Gold Roast Holdings Pte Ltd – has grown into a public listed company on the Singapore Stock Exchange.

Specialising in the manufacture and export of fine-quality instant beverages, mixes, snack food and non-dairy creamer, this home-grown Singapore company has moved from strength to strength, with manufacturing operations in Singapore, the People's Republic of China, Myanmar, Thailand and Vietnam.

Today, Viz Branz's products are sold under various brands such as Gold Roast, BenCafe, Cafe 21, CappaRoma and Jaffa Juice in various markets such as the People's Republic of China, SE Asia, Indochina, Iran, Japan, Africa, Middle East and the USA.

Gold Roast Food Industry Pte Ltd, a wholly owned subsidiary of Viz Branz Limited, is fully HACCP-certified and committed to the highest levels of food safety and quality. With the long-term goal to become the first choice in convenient and nourishing food in the markets where it operates, Viz Branz aims to enhance consumers' lifestyle everywhere with more fine-quality products to choose from.

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**CappaRoma**  
**LOW FAT**

3 in 1 Instant Coffeemix

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## CHAIRMAN'S Statement



I am honoured to deliver my maiden report to you as Chairman of the Company for this financial year ended 30<sup>th</sup> June 2011.

Dear Shareholders

I am honoured to deliver my maiden report to you as Chairman of the Company for this financial year ended 30<sup>th</sup> June 2011.

Before proceeding, I would like to take this opportunity to extend a vote of thanks on behalf of the Company to the previous Executive Chairman, Mr Chng Khoo Peng, for his invaluable contributions over the last 8 years since the listing of Viz Branz Limited in July 2002 till October 2010.

As I make this report, the global economy has just been shaken by the historic downgrading of the credit rating of the largest economy of the world (that of the United States of America) from triple A to double A by Standard and Poor's. This event, exacerbated by the continuing Euro Zone sovereign debt crisis sent tremors reverberating across economies and markets all over the world.

After two "Quantitative Easing" exercises by the US Federal Reserve, commenced 3 years ago, from the start of the previous financial tsunami, US economic reports continue to show zero to anaemic growth, high unemployment and slow consumer spending. The traditionally acknowledged developed economies of the world has been faring poorly and the outlook points to a continued downward spiral towards a possible double-dip recession. Oil prices have remained high since reaching rock bottom 2 years ago, though partly due to the turmoil in the Middle East and North Africa. Under these bleak circumstances though, we can derive some kind of comfort from the performances of 2 groupings which are holding up relatively well in the present turmoil. Firstly, there are the BRIC countries (Brazil, Russia, India and the PRC) which have large domestic economies to cushion any slowdown in external demand. Secondly, there are the developing countries in Asia, such as Indonesia, Malaysia, Thailand and the Philippines, with good natural resources as well as reasonably-sized populations. Hopefully these 2 groupings will help mitigate the slowdown in world economic growth in the coming year. I have to caution that although these are some

lights that we see at the end of the tunnel, the 2 groupings are by no means immune to any global slowdown.

As various governments try to stimulate growth through a panoply of steps and schemes, the liquidity generated has gone instead to drive up asset markets such as stocks and properties, thereby raising inflation in many countries to damaging levels. The new challenge is to balance the objective of achieving good economic growth with acceptable inflation. In the meantime, we will have to live with low growth and high inflation.

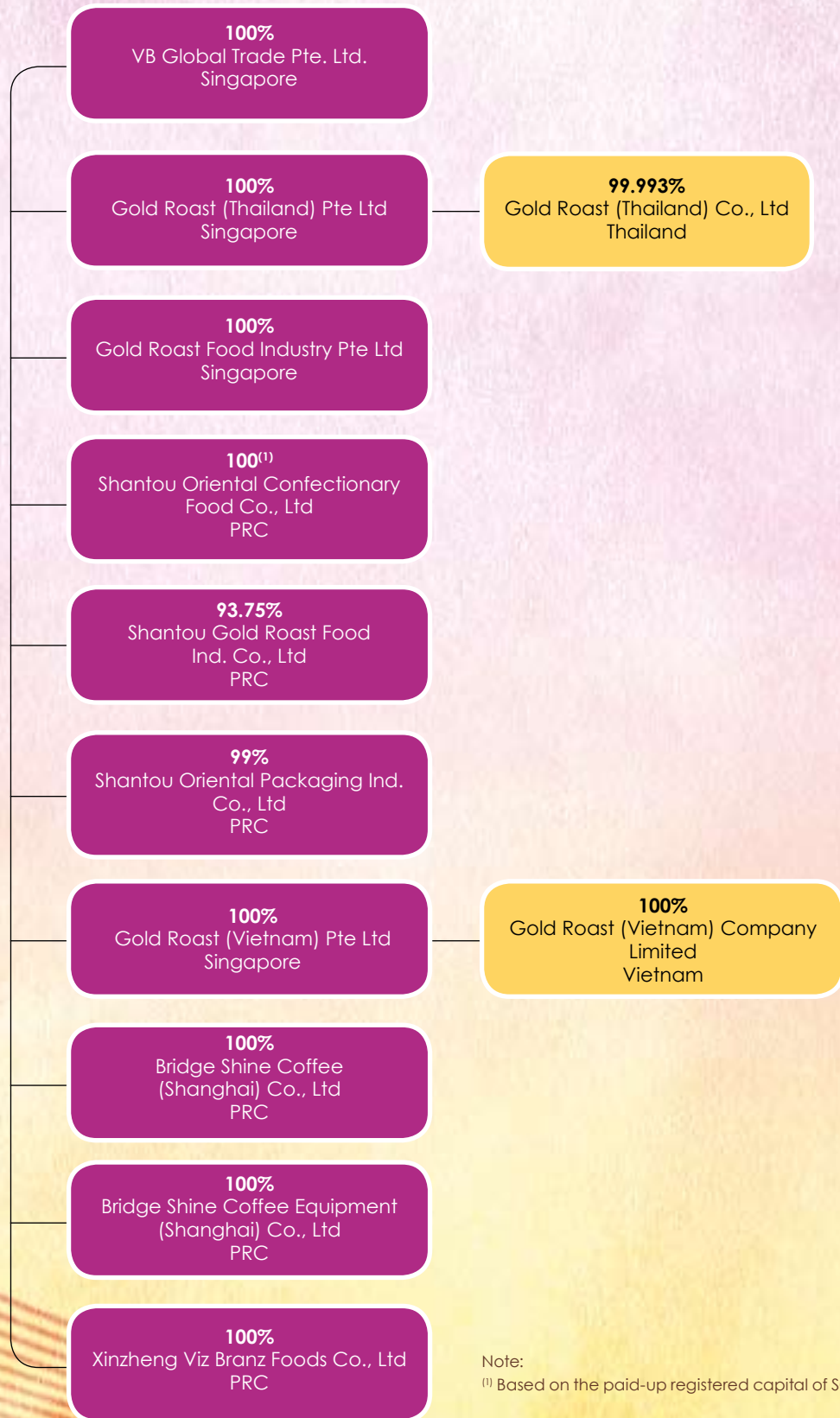
Our Company is rather fortunate in that our major operations remain focused in Asia, particularly in the People's Republic of China (PRC), SE Asia and Indochina, all of which are part of the 2 groupings mentioned above, expected to weather the difficult economic conditions better than the rest of the world. Notwithstanding that, these major markets remain competitive and challenging for us in the coming year as we remain in the line of fire and are not immune to any global slowdown.

On a brighter note, this financial year (2011) witnessed yet another new sales turnover record, with sales revenue achieved by the Group of \$165.7 million, up 8% from \$152.7 million last year. However, we were unable to derive a corresponding record net profit with the increased sales turnover as our gross margins were eroded by rising raw material costs. The reduced gross margins together with foreign exchange losses arising from the strengthening of the Singapore dollar against the US dollar and the Renminbi resulted in our operating profit falling 14% from \$21.2 million to \$18.2 million. Correspondingly, profit before tax fell 13% from \$20.3 million in 2010 to \$17.8 million this year. Due to higher tax rates, value-added taxes and withholding taxes incurred in our overseas operations, profit after tax fell 15% from \$14.4 million to \$12.2 million.

Based on weighted average number of ordinary shares in issue, earnings per share for the year was 3.27 cents



# GROUP Structure



Note:

<sup>(1)</sup> Based on the paid-up registered capital of SOCF





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VIZ-BRANZ

2 in 1 Instant Coffeemix with only Colombian Arabica Coffee and Non-Dairy Creamer

**MOSAIC AND CAFE 21's  
COLOMBIAN ARABICA COFFEE:  
SAVOURING GREAT TASTES**



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Koppi-O with  
No Sugar

Koppi-O with  
Low Sugar

Koppi-O with  
Sugar Added

Low Sugar  
3in1 Coffeemix

Improved Blend  
3in1 Coffeemix

3in1 Coffeemix

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The Singapore Police Force  
in supporting C.L.I.F.





# CappaRoma® LOW FAT

3 in 1 Instant Coffeemix

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Quality products of



VIZ BRANZ



Regular

50% Less Sugar

25% Less Sugar

## Flow with the Finest

Using only the finest Colombian and Brazilian coffee beans, CappaRoma Low Fat delivers a sensational performance each and everytime. And with its low-fat and variable sugar, you'll always strike the right balance of enjoyment and wellness. Flow with CappaRoma Low Fat today.