REGIONAL OFFICES

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BENMARK, A DIVISION OF FJBS

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BMI, A DIVISION OF FJBS

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MANCHESTER UNITED (S.E.A.) PTE LTD

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V.B. FASHIONS PTE LTD

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F.J.B. INVESTMENT PTE LTD

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CORPORATE GOVERNANCE REPORT

The Board of Directors (the “Board”) of F J Benjamin Holdings Ltd (the “Company”) is committed to high standards of corporate governance and fully supports and upholds the principles in the Code of Corporate Governance (the “Code”) as recommended by the Corporate Governance Committee. For effective corporate governance, the Company has put in place various self-regulatory and monitoring mechanisms as described below.

BOARD OF DIRECTORS

The Board currently comprises the following members:

Mr Frank Benjamin	*Executive Chairman and Chief Executive Officer*
Mr Keith Tay Ah Kee	*Executive Deputy Chairman*
Mr Eli Manasseh Benjamin	*Executive Director and Deputy Chief Executive Officer*
Mr Douglas Jackie Benjamin	*Executive Director*
Mr Mervyn Lim Sing Hok	*Executive Director*
Mr Reggie Thein	*Independent Non-Executive Director*
Mr Joseph Grimberg	*Independent Non-Executive Director*
Miss Wong Ai Fong*	*Non-Executive Director*

**Miss Wong Ai Fong was designated as Independent Non-Executive Director from 1 October 2003.*

In addition, the Board is supported by the Executive Committee, the Audit Committee, the Nominating Committee and the Remuneration Committee.

1. THE BOARD’S CONDUCT OF ITS AFFAIRS

Apart from its statutory responsibilities, the Board sets the overall strategy of the Company and its subsidiary companies (the “Group”) as well as policies on various matters including major investments, key operational initiatives and financial controls, reviews the Group’s financial performance and establishes risk management procedures. These functions are carried out either directly or through the various Board committees that have been set up, namely the Executive Committee, the Audit Committee, the Nominating Committee and the Remuneration Committee. The Executive Committee comprises the Executive Directors. The Audit Committee is made up entirely of Non-Executive Directors while the Nominating Committee and the Remuneration Committee are made up of predominantly Non-Executive Directors. Each of the three Committees is chaired by an Independent Director.

The Board conducts regularly scheduled meetings at least twice a year. The Company’s Articles of Association allows Board meetings to be conducted by way of tele-conferencing. Between Board meetings, important and critical matters concerning the Group are also tabled for the Board’s decision by way of written resolutions, faxes, electronic mails and tele-conferencing. The Company has also set internal guidelines that require transactions exceeding S$2 million to be approved by the Board.

The attendance of the Directors at meetings of the Board, the Executive Committee ("EC"), the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC") during the financial year are as follows:

	Board		Executive Committee		Audit Committee		Nominating Committee		Remuneration Committee	
	No of meetings held	No of meetings attended	No of meetings held	No of meetings attended	No of meetings held	No of meetings attended	No of meetings held	No of meetings attended	No of meetings held	No of meetings attended
Frank Benjamin	3	2	7	7	NA	NA	1	1	NA	NA
Keith Tay Ah Kee	3	3	7	7	NA	NA	NA	NA	1	1
Eli Manasseh Benjamin	3	2	7	6	1(a)	1	NA	NA	NA	NA
Douglas Jackie Benjamin	3	1	5(b)	5	NA	NA	NA	NA	NA	NA
Mervyn Lim Sing Hok	3	3	5(b)	5	NA	NA	NA	NA	NA	NA
Richard Edward Hale (c)	3	3	NA	NA	2	2	1	1	NA	NA
Joseph Grimberg	3	1	NA	NA	1(d)	0	1	1	1	1
Reggie Thein	3	3	NA	NA	2	2	NA	NA	1	1
Wong Ai Fong	3	0	NA	NA	1(e)	0	NA	NA	NA	NA

Notes:
(a) resigned from AC on 30 September 2002
(b) appointed to EC on 25 September 2002
(c) resigned on 30 June 2003
(d) resigned from AC on 30 September 2002 and re-appointed to AC on 30 June 2003
(e) appointed to AC on 30 September 2002

Although certain Directors were not present at the Board, Executive Committee and Audit Committee Meetings held during the financial year due to overseas and other work commitments, all matters and issues discussed at such meetings had been communicated to them by Management through informal meetings, and their views and comments had been noted by the Board.

Prior to their appointment, all new Directors are briefed on the Group's business activities, strategic direction and the regulatory environment in which the Group operates in. New Directors are also briefed on their statutory and other duties and responsibilities as Directors, as well as relevant laws and regulations.

2. BOARD COMPOSITION AND BALANCE

The Board comprises eight Directors, three of whom are Independent Non-Executive Directors. The Board adopts the Code's definition of what constitutes an independent director. Accordingly, Ms Wong Ai Fong was considered independent with effect from 1 October 2003. Mr Richard Edward Hale, an Independent Non-Executive Director, served on the Audit Committee and the Nominating Committee until his resignation from the Board on 30 June 2003.

As the Board comprises a strong and independent element, it is able to exercise objective judgement on corporate affairs. The composition of the Board is reviewed annually by the Nominating Committee to ensure that the Board has an appropriate mix of expertise, experience and independence needed to discharge its duties effectively. The diversity of the Directors' experience allows for the useful exchange of ideas and views. The Board is satisfied that no individual member of the Board dominates the Board's decision making and that there is sufficient accountability and capacity for independent decision-making.

The Board, taking into account the nature of operations of the Group, considers its current size to be adequate for effective decision-making.

3. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr Frank Benjamin is the Chairman as well as the Chief Executive Officer ("CEO") of the Group. As the founder of the Group and the key contact person with the Principals and suppliers of the Group and taking into consideration the size and nature of the Group's business, he performs a vital role on the Board and the Board believes that there is no need to separate the two functions.

Besides giving guidance on the corporate direction of the Group, the role of the Chairman includes the scheduling and chairing of Board meetings and the controlling of the quality, quantity and timeliness of information supplied to the Board. The Chairman also sets the strategic direction of the Group and supervises its business operations with the support of the Executive Directors and Management.

4. NOMINATING COMMITTEE

The Nominating Committee comprises three members, two of whom are Independent Non-Executive Directors.

The members of the Nominating Committee are:

Mr Joseph Grimberg (Chairman and Independent Non-Executive Director)

Mr Reggie Thein - appointed on 30 June 2003 (Independent Non-Executive Director)

Mr Frank Benjamin (Executive Director)

Mr Richard Edward Hale - resigned on 30 June 2003 (Independent Non-Executive Director)

In accordance with the Articles of Association, the Directors are required to submit themselves for re-election and re-nomination at regular intervals of at least once every three years.

The Nominating Committee recommended to the Board that Mr Joseph Grimberg, Ms Wong Ai Fong and Mr Douglas Benjamin be nominated for re-appointment at the forthcoming Annual General Meeting. In making the recommendation, the Nominating Committee had considered the Directors' overall contribution and performance.

Under its written terms of reference approved by the Board, the Nominating Committee has the following main responsibilities:

(a) to make recommendations to the Board on all Board appointments and re-appointments, including making recommendations on the composition of the Board;

(b) to review the Board structure, size, composition and independence and make recommendations to the Board to make such adjustments as may be deemed necessary;

(c) to develop the criteria for the selection of Directors and identify candidates for approval of the Board, to fill Board vacancies as and when they arise as well as put in place plans for succession;

(d) to recommend Directors who are to retire by rotation to be put forward for re-election at each Annual General Meeting of the Company, having regard to the Directors' contribution and performance;

(e) to make recommendations to the Board for the continuation of service of any Director who has reached the age of 70;

(f) to determine whether a Director is independent, bearing in mind the circumstances set forth in paragraph 2.1 of the Code and other salient factors; and

(g) to determine whether a Director, who has multiple board representations, is able to and has been adequately carrying out his duties as Director of the Company.

The profile and key information of Directors as at the date of this report are set out on pages 34 and 35 of the Annual Report.

5. BOARD PERFORMANCE

The Nominating Committee is responsible for reviewing and evaluating the effectiveness of the Board as a whole and the contribution by each Director.

The Nominating Committee carries out assessments of the performance of and the contribution by each Director with inputs of the Chairman and CEO. The assessment of the Directors includes qualitative and quantitative criteria such as attendance, participation at meetings and contributions to the Group outside the Board setting. The performance measurement ensures that the mix of skills and experience of Directors continue to meet the needs of the Group.

6. ACCESS TO INFORMATION

The Board is provided with relevant information by the Management prior to Board meetings. The Board also has access to minutes and documents concerning all Board and Board Committee meetings. In addition, the minutes of monthly Executive Committee meetings are circulated to all Board members.

The Board also has separate and independent access to the Management and Company Secretaries. The Company Secretaries attend all Board meetings and are responsible for ensuring that Board procedures are followed and applicable rules and regulations are complied with. The Board also has access to independent professional advice, if necessary, at the Company's expense. The Management presents key financial data showing the Group's performance on a monthly basis to the Executive Directors and submits full financial statements on a half-yearly basis to all Directors. With effect from financial year 2003/04, all Directors will be presented with financial statements on a quarterly basis.

7. REMUNERATION MATTERS

The Remuneration Committee comprises the following members:

Mr Reggie Thein (Chairman and Independent Non-Executive Director)

Mr Joseph Grimberg (Independent Non-Executive Director)

Mr Keith Tay Ah Kee (Executive Director)

Under its written terms of reference approved by the Board, the Remuneration Committee has the following main responsibilities:

(a) to ensure that remuneration policies and systems that support the Company's objectives and strategies are in place and being adhered to;

(b) to co-ordinate annual reviews of the Company's remuneration policies and practice, including policies relating to employee benefits, conditions and service, to ensure they are comparable with the pay and employment conditions within the industry and in similar companies;

(c) to recommend Non-Executive and Executive Directors', CEO's and senior management's remuneration to the Board in accordance with the approved remuneration policies and processes and ensuring that the remuneration packages for Executive Directors are performance-related and are aligned to shareholders' interest;

(d) to provide an ongoing review of the process of Board performance for review by the Board;

(e) to provide advice as necessary to Management on remuneration policy for employee categories other than those covered in paragraph (c) above; and

(f) to review the remuneration, terms of employment and promotion of all employees of the Group who are related to any of the Directors.

The Remuneration Committee adopts a transparent procedure for fixing the compensation packages of individual Directors. No Director is involved in deciding his or her own compensation.

The Remuneration Committee assists the Board in ensuring that Directors and key executives of the Group are fairly remunerated for their performance and individual contribution to the overall performance of the Group, taking into account the performance of the Group and the individual Directors respectively. The performance-related elements of compensation are designed to align the interests of the Executive Directors with those of the shareholders. In discharging its functions, the Remuneration Committee may obtain independent external legal and other professional advice as it deems necessary, at the expense of the Company.

Directors' fees are only paid to Non-Executive Directors and are approved by shareholders at the Annual General Meeting.

8. DISCLOSURE ON COMPENSATION

The following table tabulates the composition of the Directors' compensation:

Directors	Directors' fee	Basic Salary	Variable Performance Bonus	Benefit-in-Kind And Others	Total
$500,000 and above					
Mr Frank Benjamin	–	72%	12%	16%	100%
$250,000 to $499,999					
Mr Keith Tay Ah Kee	–	100%	–	–	100%
Mr Eli Manasseh Benjamin	–	65%	15%	20%	100%
Mr Mervyn Lim Sing Hok	–	83%	6%	11%	100%
Below $250,000					
Mr Douglas Jackie Benjamin	–	93%	7%	–	100%
Mr Reggie Thein	100%	–	–	–	100%
Mr Joseph Grimberg	100%	–	–	–	100%
Ms Wong Ai Fong	100%	–	–	–	100%
Mr Richard Edward Hale	100%	–	–	–	100%

The top five key executives of the Group who are not Directors of the Company fall within the "Below $250,000" band. Their names are not disclosed as the Company believes that disclosure may be prejudicial to its business interests, given that it is operating in a highly competitive and niche industry.

The following indicates the composition (in percentage terms) of the annual remuneration of an employee who is an immediate family member of the Chairman and CEO.

Remuneration Band: $150,000 to $249,999

Basic Salary	:	92%
Variable Performance Bonus	:	8%

9. ACCOUNTABILITY AND AUDIT

The Board is accountable to the shareholders while the Management is accountable to the Board.

The Management provides the Board full financial statements on a half-yearly basis and with effect from financial year 2003/04, the Board will be presented with financial statements on a quarterly basis that explains the Group's performance, position and prospects. The Board approves the financial statements and authorises the release of the results to the shareholders. From time to time, the Board also provides its shareholders with updates of new business developments, material contracts entered into and other material information via MASNET announcements as required under the SGX-ST Listing Manual.

The Audit Committee comprises the following members:

Mr Reggie Thein (Chairman and Independent Non-Executive Director)

Mr Joseph Grimberg (Independent Non-Executive Director)

Ms Wong Ai Fong (Non-Executive Director)

Two of the members, including the Chairman, have accounting or related financial management expertise and experience. The Audit Committee has written terms of reference approved by the Board which clearly sets out its authority and duties.

Under its written terms of reference approved by the Board, the Audit Committee has the following main responsibilities:

(a) to review the financial and other information to be presented to shareholders, the system of internal control and risk management, and the audit process;

(b) to maintain an appropriate relationship with the Company's External and Internal Auditors, and to review the scope, results, effectiveness and objectivity of the audit process;

(c) to review and evaluate the adequacy of the system of internal control, including accounting controls, taking input from external audit, internal audit, risk management and compliance functions;

(d) to review with the External Auditors, the audit plan and audit report;

(e) to review with the Internal Auditors the scope and to approve the internal audit plans;

(f) to review the half-yearly and annual financial statements, including announcements to shareholders and the SGX-ST prior to submission to the Board;

(g) to review and approve interested person transactions to ensure that these transactions are carried out at arm's length and on normal commercial terms and in the best interest of the Company and its minority shareholders; and

(h) to review the independence of the External Auditors and to make recommendations to the Board regarding the nomination of the External Auditors for appointment or re-appointment.

The Audit Committee has full access to, and the co-operation of the Management, as well as External and Internal Auditors respectively. The Committee also has full discretion to invite any Director or any member of Management to attend its meetings.

The Audit Committee meets with the External and Internal Auditors at least twice a year.

The Audit Committee having reviewed the non-audit services provided to the Group by the External Auditors, and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the External Auditors, is pleased to recommend their re-appointment.

10. INTERNAL CONTROLS

The Board has instituted a system of internal controls for the companies in the Group to reasonably safeguard against material loss and misstatements. While no system can provide absolute assurance against material loss or financial misstatement, the Group's internal financial controls are designed to provide reasonable assurance that assets are safeguarded, proper accounting records are maintained and financial information used within the business and for publication is reliable. In designing these controls, the Board has had regard to the risks which the business is exposed to and the costs of protecting against such risks.

The Board believes that the system of internal controls that has been maintained by the Group's management throughout the financial year is adequate to meet the needs of the Group in its current business environment.

11. INTERNAL AUDIT

The Company has an internal audit function reporting directly to the Chairman of the Audit Committee on audit matters, and the CEO on administrative matters. Its responsibilities include the review of the effectiveness of the Group's material internal controls, including financial, operational and compliance controls and risk management.

The Audit Committee is satisfied that the internal audit function has adequate resources and appropriate standing within the Company.

12. COMMUNICATION WITH SHAREHOLDERS

The Company endeavours to provide material information to its shareholders in a timely manner. The Company also has an Investor Relations section on its website for shareholders to express their views. In addition, the website provides shareholders and investors with access to all publicly-disclosed information, annual reports, new public releases and announcements.

At Annual General Meetings, shareholders are given the opportunity to air their views and direct questions regarding the Group and its businesses to the Board. To encourage greater shareholders' participation, the Company's Articles of Association permit a member entitled to attend and vote to appoint a proxy to attend and vote on his or her behalf. The Company's Articles of Association also provide that a proxy need not be a member of the Company.

13. DEALING WITH SECURITIES

The Company has adopted the SGX-ST Best Practices Guide with respect to dealings in securities. All employees of the Group who may be in possession of unpublished and/or material price-sensitive information are prohibited from dealing in securities of the Company during the period of one month before the announcement of the Company's full year or half-yearly results (and quarterly results with effect from financial year 2003/04) and ending two days after the announcement of the results, in accordance with the guidelines set out in the Best Practices Guide.

PROFILE AND KEY INFORMATION OF DIRECTORS

Mr Frank Benjamin

Date of appointment as Director	:	5 June 1973
Date of last re-election	:	7 November 2002
Nature of appointment	:	Executive
Board committees served on	:	Executive Committee (Chairman since 13 August 2001) Nominating Committee (Member since 25 September 2002)

Mr Frank Benjamin is the Chairman and Chief Executive Officer of the Group. He has more than 40 years of experience in the retail and distribution business of fashion and related accessories and is the founder of the Group. He has been instrumental in the development and growth of the Group, having headed the management of the Group since its inception. Currently, he oversees the general management of the Group and is involved in the formulation of long term corporate strategies and policies of the Group.

Mr Keith Tay Ah Kee

Date of appointment as Director	:	1 August 1996
Date of last re-election	:	7 November 2002
Nature of appointment	:	Executive
Board committees served on	:	Executive Committee (Member since 13 August 2001) Remuneration Committee (Member since 25 September 2002)

Mr Keith Tay is the Executive Deputy Chairman of the Group. He was Chairman and Managing Partner of KPMG Peat Marwick, from 1984 to 1993. He is the Honorary Vice-President of the Singapore Institute of Directors. He also serves on the board of the Singapore International Chamber of Commerce, of which he was Chairman from 1995 to 1997.

He sits on the boards of several public companies, including Singapore Reinsurance Corporation Ltd, Singapore Post Limited and Singapore Power Limited.

Mr Eli Manasseh Benjamin

Date of appointment as Director	:	26 July 1973
Date of last re-election	:	12 October 2001
Nature of appointment	:	Executive
Board committees served on	:	Executive Committee (Member since 13 August 2001) Audit Committee (Member - resigned on 30 September 2002)

Mr Eli Manasseh Benjamin is the Deputy Chief Executive Officer of the Group, and has been with the Group since 1968. He has more than 30 years of experience in the retail and distribution business of fashion apparel, timepieces and related accessories. He works closely with Mr Frank Benjamin in formulating long-term corporate strategies and policies of the Group and is in charge of the business development arm of the Group.

Mr Douglas Jackie Benjamin

Date of appointment as Director	:	3 November 2000
Date of last re-election	:	12 October 2001
Nature of appointment	:	Executive
Board committee served on	:	Executive Committee (Member since 25 September 2002)

Mr Douglas Benjamin is the Managing Director of F J Benjamin (Singapore) Pte Ltd and is responsible for the Group's operations in Singapore. He graduated from the University of Kent, United Kingdom, with a Bachelor of Arts (Economics) degree and joined the Group upon his graduation in 1989 as a Retail Executive.

PROFILE AND KEY INFORMATION OF DIRECTORS

Mr Mervyn Lim Sing Hok

Date of appointment as Director	:	8 July 2002
Date of last re-election	:	7 November 2002
Nature of appointment	:	Executive
Board committee served on	:	Executive Committee (Member since 25 September 2002)

Mr Mervyn Lim is the Chief Financial Officer, Chief Operating Officer and Joint Company Secretary of the Company. He holds a Bachelor of Accountancy degree from the National University of Singapore and a Masters in Business Administration from the University of Brunel. Prior to joining the Group, he had more than 10 years of financial, operational and general management experience in the service industry.

Mr Joseph Grimberg

Date of appointment as Director	:	11 January 1990
Date of last re-election	:	12 October 2001
Nature of appointment	:	Independent and Non-Executive
Board committees served on	:	Audit Committee (Member since 30 June 2003) Remuneration Committee (Member since 25 September 2002) Nominating Committee (Chairman since 25 September 2002)

Mr Joseph Grimberg was a Senior Partner of Drew & Napier prior to serving as Judicial Commissioner of the Supreme Court of Singapore from 1987 to 1989. Upon completion of his term of office, he returned to Drew & Napier where he is currently a Senior Consultant.

He sits on the boards of Jurong Cement Limited and Hotel Properties Limited.

Mr Reggie Thein

Date of appointment as Director	:	8 July 2002
Date of last re-election	:	7 November 2002
Nature of appointment	:	Independent and Non-Executive
Board committees served on	:	Audit Committee (Member since 8 July 2002 and appointed Chairman on 30 June 2003) Remuneration Committee (Chairman since 25 September 2002) Nominating Committee (Member since 30 June 2003)

Mr Reggie Thein is a member of the Governing Council of the Singapore Institute of Directors, a Fellow of the Institute of Chartered Accountants in England and Wales, and member of the Institute of Certified Public Accountants of Singapore.

He sits on the boards of BIL International Limited, Central Properties Limited, Guocoland Ltd (formerly known as First Capital Corporation Limited), GB Holdings Ltd, Goodwood Park Hotel Ltd, Haw Par Corporation Ltd, Hotel Malaysia Limited, Keppel Telecommunications & Transportation Ltd, MFS Technology Limited and Mobile-One Limited (M1).

Ms Wong Ai Fong

Date of appointment as Director	:	3 November 2000
Date of last re-election	:	12 October 2001
Nature of appointment	:	Non-Executive
Board committee served on	:	Audit Committee (Member since 30 September 2002)

Ms Wong Ai Fong is the Director of Communications, Asia Pacific with Nokia Pte Ltd. She was formerly the General Manager of F J Benjamin Maxcom Pte Ltd, a subsidiary company of the Company between 1994 to 2000. Prior to joining the Group, she had more than 10 years of marketing experience in the financial services and media and entertainment industries.

STATISTICS OF SHAREHOLDINGS as at 30 September 2003

SHAREHOLDERS' INFORMATION

Authorised share capital	:	$200,000,000
Issued and fully paid-up capital	:	$57,000,000
Class of shares	:	Ordinary share of $0.20 each
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	62	1.62	4,570	0.00
1,000 - 10,000	3,192	83.32	10,494,000	3.68
10,001 - 1,000,000	563	14.70	28,154,210	9.88
1,000,001 and above	14	0.36	246,347,220	86.44
Total	3,831	100.00	285,000,000	100.00

TWENTY LARGEST SHAREHOLDERS

	Name	No. of Shares	%
1.	Frank Benjamin	65,444,950	22.96
2.	Hong Leong Finance Nominees Pte Ltd	40,340,000	14.15
3.	UOB Kay Hian Pte Ltd	32,587,000	11.43
4.	Estate of Jacob Ballas, Deceased	30,000,000	10.53
5.	Mavis Benjamin, Mrs	22,500,000	7.89
6.	Eli Manasseh Benjamin*	18,801,000	6.60
7.	United Overseas Bank Nominees Pte Ltd	10,271,040	3.60
8.	DBS Nominees Pte Ltd	5,695,000	2.00
9.	Lim Tien Lock Christopher	4,967,000	1.74
10.	Oversea-Chinese Bank Nominees Pte Ltd	4,818,130	1.69
11.	Seah Kee Khoo	4,319,000	1.52
12.	Citibank Nominees Singapore Pte Ltd	3,593,000	1.26
13.	OCBC Securities Private Ltd	1,610,000	0.56
14.	Phillip Securities Pte Ltd	1,401,100	0.49
15.	Kim Eng Securities Pte Ltd	917,170	0.32
16.	DBS Vickers Securities (S) Pte Ltd	900,000	0.32
17.	Singapore Nominees Pte Ltd	742,000	0.26
18.	Wang Khee Pong	730,000	0.26
19.	Hong Boon Yoon	640,000	0.22
20.	Mohamed Salleh s/o Kadir Mohideen Sabu Maricar	600,000	0.21
Total		250,876,390	88.01

* *Excludes 7,000,000 and 1,936,050 shares held in the name of UOB Kay Hian Pte Ltd and OCBC Securities Private Ltd respectively.*

SUBSTANTIAL SHAREHOLDERS as recorded in the Register of Substantial Shareholders

	Direct Interest	%	Deemed Interest	%
1. Frank Benjamin	65,744,950	23.07	52,500,000	18.42
2. Lim Eng Hock	65,000,000	22.81	–	–
3. Estate of Jacob Ballas, Deceased	30,000,000	10.53	–	–
4. Eli Manasseh Benjamin	27,737,050	9.73	300,000	0.11
5. Mavis Benjamin, Mrs	22,500,000	7.89	65,744,950	23.07

Percentage of Shareholding in Public's hands

Based on the information available to the Company, as at 30 September 2003, approximately 26% of the Company's shares were held in the hands of the public. Hence, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

STATISTICS OF WARRANTHOLDINGS as at 30 September 2003

DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants	%
1 - 999	4	0.21	120	0.00
1,000 - 10,000	822	43.24	4,271,013	1.50
10,001 - 1,000,000	1,043	54.87	118,812,867	41.69
1,000,001 and above	32	1.68	161,916,000	56.81
Total	1,901	100.00	285,000,000	100.00

TWENTY LARGEST WARRANTHOLDERS

	Name	No. of Warrants	%
1.	Citibank Nominees Singapore Pte Ltd	23,179,000	8.13
2.	Frank Benjamin	22,144,950	7.77
3.	Lim Tien Lock Christopher	15,996,000	5.61
4.	Mavis Benjamin, Mrs	10,500,000	3.68
5.	Seah Kee Khoo	10,000,000	3.51
6.	Eli Manasseh Benjamin	7,437,050	2.61
7.	UOB Kay Hian Pte Ltd	7,282,000	2.56
8.	OCBC Securities Private Ltd	6,183,000	2.17
9.	United Overseas Bank Nominees Pte Ltd	5,310,000	1.86
10.	Thian Yim Pheng	4,710,000	1.65
11.	Kim Eng Securities Pte Ltd	4,615,000	1.62
12.	Lim & Tan Securities Pte Ltd	4,417,000	1.55
13.	Nikhilkumar s/o Bansilal Bhogilal Shah	3,900,000	1.37
14.	Dilhan Pillay Sandrasegara	3,446,000	1.21
15.	Hong Leong Finance Nominees Pte Ltd	3,263,000	1.14
16.	Nurdian Cuaca	2,867,000	1.01
17.	Phillip Securities Pte Ltd	2,851,000	1.00
18.	Ang Chua Yong	2,600,000	0.91
19.	Chan Kok Khoon	2,500,000	0.88
20.	Chang See Hiang	2,000,000	0.70
Total		145,201,000	50.94

REPORT OF THE DIRECTORS

The Directors are pleased to present their report together with the audited financial statements of the Company and of the Group for the financial year ended 30 June 2003.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of investment holding and the provision of management services to its subsidiary companies. The subsidiary companies are primarily importers, exporters, licensees, distributors and retailers of consumer fashion wear and accessories, household furnishings and timepieces.

There has been no significant change in the nature of these activities during the financial year.

RESULTS FOR THE FINANCIAL YEAR

	Group $'000	Company $'000
Profit for the financial year	1,517	5,718
Accumulated losses at beginning	(32,467)	(34,211)
Dividend paid, net	(222)	(222)
Accumulated losses at end	(31,172)	(28,715)

In the opinion of the Directors, the results of the operations of the Company and of the Group during the financial year have not been affected by any item, transaction or event of a material and unusual nature, except as disclosed in Note 6 to the financial statements.

MATERIAL MOVEMENTS IN RESERVES AND PROVISIONS

The following amounts have been credited/(debited) to:-	Group $'000	Company $'000
<u>Warrant reserve</u>		
Proceeds from issuance of warrants	28,500	28,500
Expenses on issuance of warrants	(475)	(475)
Net proceeds from issuance of warrants	28,025	28,025
<u>Exchange translation reserve</u>		
Exchange differences arising from consolidation	(1,040)	–

There were no other material transfers to or from provisions except for those made in the normal course of operations as disclosed in the financial statements.

DIVIDENDS

During the financial year, the Company paid a first and final dividend of 0.1 cent per ordinary share less tax of 22% amounting to $222,300 in respect of the previous financial year as proposed in the Report of the Directors of that financial year.

The Directors have proposed a first and final dividend of 0.25 cent per ordinary share less tax of 22% amounting to $555,750 be paid in respect of the financial year under review.

SHARE CAPITAL

During the financial year, the Company issued 285,000,000 warrants at $0.10 each for cash with each warrant carrying the right to subscribe for one new ordinary share of $0.20 each in the share capital of the Company at an exercise price of $0.45 per share. The proceeds from the warrants issued were used to reduce bank borrowings and for working capital requirements.

As at 30 June 2003, none of the warrants has been exercised.

There was no other change in the issued share capital of the Company and of the Group during the financial year, except as indicated below.

There is presently no outstanding option scheme on unissued shares in respect of the Company and of the Group.

ACQUISITION AND DISPOSAL OF SUBSIDIARY COMPANIES

During the financial year, the following subsidiary company was acquired at net tangible assets value which was represented by a cash balance:

Name of subsidiary company	Country of incorporation and place of business	Interest acquired %	Net tangible assets $'000	Consideration $'000
Held by Ferro Designs Limited :-				
PT Meteor Prima Sejati	Indonesia	100	3	3

The paid-up and issued share capital of PT Meteor Prima Sejati was increased from 500 shares to 900 shares by the issuance of 400 new shares of Indonesian Rp1,000,000 each to its holding company, Ferro Designs Limited, after the acquisition.

There was no disposal of subsidiary companies during the financial year.

DIRECTORS OF THE COMPANY

The names of the Directors of the Company in office at the date of this report are: -

Mr Frank Benjamin - Executive Chairman and Chief Executive Officer
Mr Keith Tay Ah Kee - Executive Deputy Chairman
Mr Eli Manasseh Benjamin - Deputy Chief Executive Officer
Mr Douglas Jackie Benjamin - Executive Director
Mr Mervyn Lim Sing Hok - Executive Director
Mr Reggie Thein - Non-Executive Director
Mr Joseph Grimberg - Non-Executive Director
Ms Wong Ai Fong - Non-Executive Director

DIRECTORS' INTEREST IN SHARES AND DEBENTURES

The following Directors who held office at the end of the financial year had, according to the register required to be kept under Section 164 of the Companies Act, Cap. 50, an interest in shares of the Company as stated below: -

	Direct interest			Deemed interest		
Name of director	At 1.7.2002	At 30.6.2003	At 21.7.2003	At 1.7.2002	At 30.6.2003	At 21.7.2003
<u>Ordinary share of $0.20 each</u>						
Mr Frank Benjamin	66,744,950	65,744,950	65,744,950	52,500,000	52,500,000	52,500,000
Mr Keith Tay Ah Kee	2,028,000	228,000	228,000	–	–	–
Mr Eli Manasseh Benjamin	27,937,050	27,937,050	27,737,050	300,000	300,000	300,000
Mr Douglas Jackie Benjamin	120,000	120,000	120,000	10,000	10,000	10,000
Mr Joseph Grimberg	50,000	50,000	50,000	–	–	–
Ms Wong Ai Fong	35,000	35,000	35,000	–	–	–
<u>Warrant of $0.10 each</u>						
Mr Frank Benjamin	–	25,523,950	22,144,950	–	10,500,000	10,500,000
Mr Keith Tay Ah Kee	–	28,000	28,000	–	–	–
Mr Eli Manasseh Benjamin	–	7,437,050	7,437,050	–	300,000	300,000
Mr Douglas Jackie Benjamin	–	120,000	120,000	–	10,000	10,000
Mr Mervyn Lim Sing Hok	–	100,000	100,000	–	–	–
Mr Joseph Grimberg	–	300,000	300,000	–	–	–

By virtue of Section 7 of the Companies Act, Cap. 50, Mr Frank Benjamin with shareholdings as above is deemed to have an interest in all the subsidiary companies of the Company in proportion to the Company's interests in the subsidiary companies.

DIRECTORS' INTEREST IN SHARES AND DEBENTURES (CONT'D)

Since the end of the previous financial year no Director has received or has become entitled to receive benefits under contracts required to be disclosed by Section 201(8) of the Companies Act, Cap. 50, except those disclosed in Note 8 to the financial statements.

Neither at the end of the financial year, nor at any time during that financial year, did there subsist any arrangement to which the Company is a party, whereby Directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

ASSET VALUES

Before the profit and loss account and balance sheet of the Company were made out, the Directors took reasonable steps to ascertain that: -

(a) action had been taken in relation to the writing-off of bad debts and the making of provision for doubtful debts, and have satisfied themselves that all known bad debts had been written-off and that adequate provision had been made for doubtful debts; and that

(b) any current assets which were unlikely to realise their book value in the ordinary course of business had been written-down to their estimated realisable values or that adequate provision had been made for the difference between those values.

At the date of this report the Directors are not aware of any circumstances which would render:-

(a) the amount written-off or provided for bad and doubtful debts in the Group inadequate to any substantial extent; and

(b) the values attributed to current assets in the consolidated financial statements misleading.

CHARGES AND CONTINGENT LIABILITIES

Since the end of the financial year, no charge on the assets of the Company or any company in the Group has arisen which secures the liabilities of any other person.

Since the end of the financial year, no contingent liability of the Company or any company in the Group has arisen.

No contingent or other liability of the Company or any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company and of the Group to meet their obligations as and when they fall due.

OTHER CIRCUMSTANCES AFFECTING THE FINANCIAL STATEMENTS

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company and of the Group which would render any amount stated in the financial statements of the Company and the consolidated financial statements misleading.

UNUSUAL ITEMS AFTER THE FINANCIAL YEAR

Saved as disclosed in Note 33 to the financial statements, in the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would affect substantially the results of the operations of the Company or of the Group for the financial year in which this report is made.

AUDIT COMMITTEE

The Audit Committee, a sub-committee of the Board of Directors, is constituted under the provisions of Section 201B of the Companies Act, Chapter 50.

The members of the Audit Committee at the date of this report are:

Mr Reggie Thein (appointed as a member on 8 July 2002 and as Chairman on 30 June 2003)
Mr Joseph Grimberg (resigned on 30 September 2002 and re-appointed on 30 June 2003)
Ms Wong Ai Fong (appointed on 30 September 2002)

Mr Eli Manasseh Benjamin and Mr Richard Edward Hale resigned from the Committee on 30 September 2002 and 30 June 2003 respectively.

The current Audit Committee only consists of non-executive Directors of the Company of whom the majority are independent of the Group and of the Company's management.

The Audit Committee met twice during the financial year under review and discharged its duties and responsibilities in accordance with the Companies Act, Cap. 50 and the Listing Manual of the Singapore Exchange Securities Trading Limited.

The Audit Committee has full access to and the co-operation of the Company's management. In the performance of its functions, the Audit Committee has met with the external and internal auditors, reviewed their audit plans and discussed the results of their examinations, including their evaluation of the system of internal accounting controls, and the assistance given to them by the Company's officers.

The Audit Committee reviewed the Group's preliminary announcement before it was submitted to the Board for approval and also reviewed the financial statements of the Company and the consolidated financial statements of the Group for the financial year ended 30 June 2003, together with the auditors' report thereon.

The Audit Committee has recommended to the Board of Directors the nomination of Ernst & Young as external auditors at the forthcoming Annual General Meeting of the Company.

AUDITORS

The auditors, Ernst & Young, Certified Public Accountants, have expressed their willingness to accept re-appointment.

On behalf of the Board,

Eli Manasseh Benjamin
Director

Mervyn Lim Sing Hok
Director

Singapore
30 September 2003

STATEMENT BY DIRECTORS

We, Eli Manasseh Benjamin and Mervyn Lim Sing Hok, being two of the Directors of F J Benjamin Holdings Ltd, do hereby state that, in the opinion of the Directors :-

(i) the profit and loss accounts, balance sheets, statements of changes in equity and consolidated statement of cash flow together with the notes thereto, set out on pages 45 to 74 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2003 and of the results of the business and changes in equity of the Company and of the Group and the cash flow of the Group for the financial year ended on that date; and

(ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board,

Eli Manasseh Benjamin
Director

Mervyn Lim Sing Hok
Director

Singapore
30 September 2003

AUDITORS' REPORT

We have audited the financial statements of F J Benjamin Holdings Ltd set out on pages 45 to 74. These financial statements comprise the balance sheets of the Company and of the Group as at 30 June 2003, the profit and loss accounts and statements of changes in equity of the Company and of the Group and the statement of cash flow of the Group for the year ended 30 June 2003, and notes thereto. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

(a) the financial statements and consolidated financial statements are properly drawn up in accordance with the provisions of the Companies Act ("Act") and Singapore Statements of Accounting Standard and so as to give a true and fair view of :-

(i) the state of affairs of the Company and of the Group as at 30 June 2003, the results and changes in equity of the Company and of the Group and the cash flow of the Group for the financial year then ended on that date; and

(ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements and consolidated financial statements;

(b) the accounting and other records, and the registers required by the Act to be kept by the Company and by those subsidiary companies incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' reports of all subsidiary companies of which we have not acted as auditors, and the financial statements of the subsidiary companies for which an audit is not required by the laws in their countries of incorporation, being financial statements included in the consolidated financial statements. The names of those subsidiary companies audited by our associated firms are stated in Note 3 to the financial statements.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and in respect of subsidiary companies incorporated in Singapore did not include any comment made under Section 207(3) of the Act.

ERNST & YOUNG
Certified Public Accountants

Singapore
30 September 2003

PROFIT AND LOSS ACCOUNTS for the financial year ended 30 June 2003

	Note	Group 2003 $'000	Group 2002 $'000	Company 2003 $'000	Company 2002 $'000
Revenue	4	105,569	113,147	–	–
Other income, net	5	4,737	4,010	8,933	9,183
		110,306	117,157	8,933	9,183
Costs and expenses					
Cost of sales		71,217	73,343	–	–
Staff costs		15,310	15,289	2,193	1,488
Rental costs		8,037	9,564	–	–
Depreciation of property, plant and equipment		3,117	3,226	607	614
Exceptional items, net					
– Loss from discontinued operations		2,539	2,918	–	–
– Others		(4,661)	(3,019)	(1,951)	(587)
	6	(2,122)	(101)	(1,951)	(587)
Other operating expenses, net		11,252	7,040	1,178	2,114
Total costs and expenses		106,811	108,361	2,027	3,629
Operating profit		3,495	8,796	6,906	5,554
Finance costs	7	(1,907)	(3,631)	(891)	(1,638)
Share of profits of associated companies		237	490	–	–
Profit before taxation	8	1,825	5,655	6,015	3,916
Taxation	9	(327)	(1,093)	(297)	(607)
Profit after taxation		1,498	4,562	5,718	3,309
Minority interests		19	(1,462)	–	–
Profit for the financial year		1,517	3,100	5,718	3,309
Basic earnings per share (cents)	10	0.53	1.22		
Diluted earnings per share (cents)	10	0.53	1.22		

The accompanying policies and explanatory notes from pages 50 to 74 form an integral part of the financial statements.

BALANCE SHEETS as at 30 June 2003

	Note	Group 2003 $'000	Group 2002 $'000	Company 2003 $'000	Company 2002 $'000
Non-current assets					
Property, plant and equipment, net	11	70,222	73,038	40,095	40,678
Interests in subsidiary companies, net	12	–	–	50,549	37,893
Interests in associated companies	13	11,656	10,052	15	2,361
Other investments, net	14	1	1	1	1
		81,879	83,091	90,660	80,933
Current assets					
Stocks, net	15	24,895	27,211	–	–
Trade debtors, net	16	10,945	24,670	–	–
Other debtors, net	17	5,499	6,382	396	289
Cash and bank balances		15,151	3,661	10,201	233
		56,490	61,924	10,597	522
Less: Current liabilities					
Trade and other creditors	18	22,023	25,884	1,020	1,581
Finance lease creditors	19	140	175	102	102
Bank borrowings	20	17,784	28,434	3,533	7,533
Provision for taxation		340	1,001	88	191
		40,287	55,494	4,743	9,407
Net current assets / (liabilities)		16,203	6,430	5,854	(8,885)
Long term liabilities					
Finance lease creditors	19	359	506	336	438
Bank borrowings	20	19,925	30,276	12,483	21,216
Deferred taxation	21	700	920	700	920
		20,984	31,702	13,519	22,574
Net assets		77,098	57,819	82,995	49,474
Equity					
Share capital	22	57,000	57,000	57,000	57,000
Share premium	23	26,685	26,685	26,685	26,685
Warrant reserve	24	28,025	–	28,025	–
Exchange translation reserve	25	(3,503)	(2,463)	–	–
Accumulated losses		(31,172)	(32,467)	(28,715)	(34,211)
		77,035	48,755	82,995	49,474
Minority interests		63	9,064	–	–
		77,098	57,819	82,995	49,474

The accompanying policies and explanatory notes from pages 50 to 74 form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY for the financial year ended 30 June 2003

	Note	Share capital $'000	Share premium $'000	Warrant reserve $'000	Exchange translation reserve $'000	Accumulated losses $'000	Total shareholders' equity $'000
Group							
Balance as at 30 June 2002		57,000	26,685	–	(2,463)	(32,467)	48,755
Profit for the financial year		–	–	–	–	1,517	1,517
Exchange differences arising from consolidation		–	–	–	(1,040)	–	(1,040)
Proceeds from issuance of warrants		–	–	28,500	–	–	28,500
Expenses on issuance of warrants		–	–	(475)	–	–	(475)
Dividend paid		–	–	–	–	(222)	(222)
Balance as at 30 June 2003		57,000	26,685	28,025	(3,503)	(31,172)	77,035
Balance as at 30 June 2001		40,000	26,929	–	(161)	(35,567)	31,201
Profit for the financial year		–	–	–	–	3,100	3,100
Exchange differences arising from consolidation		–	–	–	(2,302)	–	(2,302)
Issuance of shares	22	17,000	–	–	–	–	17,000
Expenses on issuance of shares		–	(244)	–	–	–	(244)
Balance as at 30 June 2002		57,000	26,685	–	(2,463)	(32,467)	48,755
Company							
Balance as at 30 June 2002		57,000	26,685	–	–	(34,211)	49,474
Profit for the financial year		–	–	–	–	5,718	5,718
Proceeds from issuance of warrants		–	–	28,500	–	–	28,500
Expenses on issuance of warrants		–	–	(475)	–	–	(475)
Dividend paid		–	–	–	–	(222)	(222)
Balance as at 30 June 2003		57,000	26,685	28,025	–	(28,715)	82,995
Balance as at 30 June 2001		40,000	26,929	–	–	(37,520)	29,409
Profit for the financial year		–	–	–	–	3,309	3,309
Issuance of shares	22	17,000	–	–	–	–	17,000
Expenses on issuance of shares		–	(244)	–	–	–	(244)
Balance as at 30 June 2002		57,000	26,685	–	–	(34,211)	49,474

The accompanying policies and explanatory notes from pages 50 to 74 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW for the financial year ended 30 June 2003

	2003 $'000	2002 $'000
Cash flow from operating activities:		
Profit before taxation	1,825	5,655
Adjustments for:		
Depreciation of property, plant and equipment	3,619	3,943
Share of profits of associated companies	(237)	(490)
Currency realignment	(899)	(1,664)
(Gain) / loss on disposal of property, plant and equipment	(32)	124
Interest income	(67)	(32)
Interest expense	1,907	3,631
Write-back of provision for doubtful debts from a non-cash settlement	(4,783)	–
Provision for impairment in value of leasehold improvements	546	700
Net gain arising from sale of associated companies	(2,229)	–
Operating (loss) / profit before reinvestment in working capital	(350)	11,867
Decrease in debtors	8,489	3,785
Decrease in stocks	2,316	5,146
Increase in creditors	(3,861)	(5,673)
Cash generated from operations	6,594	15,125
Taxation paid	(791)	(1,495)
Net cash generated from operating activities	5,803	13,630
Cash flow from investing activities:		
Purchase of plant and equipment	(2,147)	(3,235)
Proceeds from disposal of plant and equipment	691	774
Proceeds from sale of associated companies	6,390	–
Investment in associated companies	(153)	(1,000)
Repayment from / (advances to) associated companies	1,392	(231)
Interest received	67	32
Net cash generated from / (used in) investing activities	6,240	(3,660)

The accompanying policies and explanatory notes from pages 50 to 74 form an integral part of the financial statements.

	2003 $'000	2002 $'000
Cash flow from financing activities:		
Proceeds from issuance of warrants	28,500	–
Expenses on issuance of warrants	(475)	–
Proceeds from issuance of shares	–	17,000
Expenses on issuance of shares	–	(244)
Proceeds from issuance of shares to minority shareholders	–	60
Repayment of bank borrowings	(21,484)	(24,080)
(Decrease)/ increase in finance lease creditors	(182)	34
Interest paid	(1,907)	(3,631)
Dividends paid to shareholders	(222)	–
Dividends paid to minority shareholders	(5,231)	(2,463)
Net cash used in financing activities	(1,001)	(13,324)
Net increase / (decrease) in cash and cash equivalents	11,042	(3,354)
Cash and cash equivalents at beginning of year	1,367	4,792
Net effect of exchange rate changes	(35)	(71)
Cash and cash equivalents at end of year (Note 26)	12,374	1,367

A non-cash settlement of $10.0 million was received from an Indonesian debtor through distribution of assets of this debtor which resulted in the write-back of a provision for doubtful debts of $4.8 million. $2.8 million of this asset was transferred by way of a non-cash dividend to a minority shareholder. The Group's share of $7.2 million was transferred as a non-cash loan to an associated company.

The purchase consideration of $3,000 to acquire a subsidiary company was paid in cash. The net assets acquired were represented by a cash balance of an equivalent amount.

The accompanying policies and explanatory notes from pages 50 to 74 form an integral part of the financial statements.

1. CORPORATE INFORMATION

The financial statements of F J Benjamin Holdings Ltd for the financial year ended 30 June 2003 were authorised for issue in accordance with a resolution of the Board of Directors on 30 September 2003.

The Company is a public limited company incorporated in Singapore.

The registered address of the Company is 6B Orange Grove Road, Singapore 258332.

The principal activities of the Company are those of investment holding and the provision of management services to its subsidiary companies. The subsidiary companies are primarily importers, exporters, licensees, distributors and retailers of consumer fashion wear and accessories, household furnishings and timepieces.

There has been no significant change in the nature of these activities during the financial year.

As at 30 June 2003 the Group and Company had 452 employees (2002: 490 employees) and 14 employees (2002: 14 employees) respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Group and the Company are consistent with those used in the previous year except for the change in accounting policy disclosed below.

(a) Basis of accounting

The financial statements of the Company and of the Group, which are expressed in Singapore dollars, are prepared under the historical cost convention modified by the revaluation of certain freehold land and buildings.

The financial statements are prepared in accordance with the Singapore Statements of Accounting Standard (SAS) and applicable provisions of the Companies Act.

<u>Change in accounting policy</u>

With effect from 1 July 2002, the results of foreign subsidiary and associated companies are translated into Singapore dollars at the average exchange rates for the financial year, instead of rates ruling at the balance sheet date, in compliance with the Revised SAS 20 – The Effects of Changes in Foreign Exchange Rates.

The change has no material impact on the current and prior financial years' financial statements.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies for the financial year ended 30 June 2003. The results of subsidiary companies acquired or disposed of during the financial year are included in or excluded from the respective date of acquisition or disposal, as applicable.

When subsidiary companies are acquired, any excess of the consideration over the net assets at the date of acquisition is dealt with as goodwill on consolidation. Goodwill arising from business combinations on or after 1 July 2001 is amortised using the straight-line method over a period not exceeding twenty years. Goodwill arising from business combinations prior to 30 June 2001 has been written-off against reserves in the financial year in which it arose. A list of the Group's subsidiary companies is shown in Note 3 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Subsidiary companies

Subsidiary companies are those companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities.

Interests in subsidiary companies are revalued by the Directors at the balance sheet date in the books of the Company on the basis of the attributable net assets value of the subsidiary companies determined on a portfolio basis. The resulting net surplus or deficit is transferred to capital reserve or charged to the profit and loss account. Where revaluation deficits exceed any surplus held in reserves for the same investment, the excess is written-off to the profit and loss account as an exceptional item. An increase in revaluation directly related to a previous decrease in carrying amount for the same investment that was charged to income is credited to income to the extent that it offsets the previously recorded decrease.

At each balance sheet date, the Company assesses whether there is any indication of impairment. If any such indication exists, the recoverable amounts are estimated and provision for impairment loss, if any, is made.

(d) Associated companies

An associated company is defined as a company, not being a subsidiary company, in which the Group has a long-term interest of not less than 20% of the equity and in whose financial and operating decisions the Group exercises significant influence. Details of the Group's significant associated companies are in Note 13 to the financial statements.

The Group's share of the results of associated companies is included in the consolidated profit and loss account using either the most recent available audited financial statements or the unaudited management financial statements of the associated companies. The Group's share of post-acquisition reserves of associated companies is included in interests in associated companies in the consolidated balance sheet.

Shares in associated companies are stated at cost, less any impairment loss.

At each balance sheet date, the Company assesses whether there is any indication of impairment. If any such indication exists, the recoverable amounts are estimated and provision for impairment loss, if any, is made.

(e) Revenue recognition

Revenue from the sale of products is recognised upon passage of title to the customer which generally coincides with their delivery and acceptance.

Revenue from the provision of services is recognised upon completion of services provided to the customer.

Dividend income from investments is accounted for on the basis of the dates dividends are declared payable by the investee companies. Interest income from term deposits is accounted for on an accrual basis.

Rental income is recognised on an accrual basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, except for certain freehold land and buildings which are stated at valuation. The Group will revalue its freehold land and buildings on a need basis.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals is capitalised and expenditure for maintenance and repairs is charged to the profit and loss account. When assets are sold or retired, their cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit and loss account.

At each balance sheet date, both assets revalued and those measured at cost, are reviewed to assess whether they are recorded in excess of their recoverable amounts, and if carrying values exceed their recoverable amounts, assets are written-down to the recoverable amounts. The recoverable amount is the present value of the estimated cash flow expected to arise from the continuing use of the relevant asset in the foreseeable future and from its disposal.

(g) Leased assets

Where assets are financed by lease agreements that give rights approximating to ownership (finance leases), the assets are capitalised under property, plant and equipment as if they had been purchased outright at the values equivalent to the present values of total rentals payable during the periods of the leases and the corresponding lease commitments are included under liabilities. Lease commitments payable within one year are included under current liabilities.

Lease payments are treated as consisting of capital and interest elements and the interest is charged to the profit and loss account. Depreciation on the relevant assets is charged to the profit and loss account on the basis outlined in paragraph (n) below.

Rental on operating leases is charged to the profit and loss account.

(h) Other investments

Quoted equity investments are those investments held for the short term and are stated at the lower of cost and market value. Market value is the average of the bid and offer price at the balance sheet date.

(i) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises the invoiced value of goods on a weighted average basis together with the related charges incurred in importing such goods. Net realisable value is arrived at after due allowance has been made for all obsolete and slow-moving stocks.

(j) Trade and other debtors

Trade and other debtors are recognised and carried at original invoiced amounts less provision for doubtful debts. An estimate for provision for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off to the profit and loss account as incurred.

Debts from related parties are recognised and carried at cost less provision for doubtful debts, if any.

(k) Trade and other creditors

Liabilities for trade and other creditors, are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

Payables to related parties are carried at cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(m) Deferred taxation

Deferred taxation is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiary and associated companies, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised. For deductible temporary differences associated with investments in subsidiary and associated companies, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

(n) Depreciation

Depreciation is calculated on the straight-line method to write-off the cost of the property, plant and equipment over their estimated useful lives. No depreciation is provided on freehold land and construction-in-progress. The estimated useful lives of property, plant and equipment are as follows :-

Freehold buildings	– 50 years
Leasehold buildings	– Over the lease terms
Furniture and fittings	– 10 years
Electrical installation and office equipment	– 6 to 7 years
Motor vehicles	– 5 years
Data processing equipment	– 3 years
Leasehold improvements	– 3 to 5 years

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

(o) Foreign currencies

Transactions arising in foreign currencies during the year are translated at rates closely approximating those ruling on the transaction dates. Foreign currency monetary assets and liabilities are translated into local currency at exchange rates ruling at the balance sheet date. All exchange translation differences are included in the profit and loss account.

For inclusion in the consolidated financial statements, assets and liabilities of foreign subsidiary and associated companies are translated into Singapore dollars at rates of exchange ruling at the balance sheet date. The results of foreign subsidiary and associated companies are translated at average exchange rates for the financial year. Exchange differences due to such currency translations are included in the exchange translation reserve.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Borrowing costs

Borrowings costs are recognised as expenses in the financial year in which they are incurred.

(q) Employee benefits

Short-term employee benefits
All short-term employee benefits, including accumulated compensated absences, are recognised in the profit and loss account in the period in which the employees render their services to the Company.

Provident fund contributions
The Group's companies make contributions to provident funds. These contributions are recognised as compensation expenses in the same period as the employment that gives rise to the contribution.

(r) Related parties

Related parties in this financial statements refer to related companies, Directors and entities in which the Directors have significant influence or control. Related companies in the financial statements refer to members of the F J Benjamin Group of companies. Related companies' transactions are carried out based on terms agreed between the parties.

(s) Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances less bank overdrafts.

3. GROUP COMPANIES

The subsidiary companies at 30 June are:-

	Name of company (country of incorporation and place of business)	Principal activities	Cost 2003 $'000	Cost 2002 $'000	Percentage of equity held by the Group 2003 %	Percentage of equity held by the Group 2002 %
	Held by the Company -					
~	B.M.I. (Pte) Ltd (Singapore)	Inactive	200	200	100	100
~	Benmark (Pte) Ltd (Singapore)	Inactive	3,000	3,000	100	100
~	F J Benjamin (Singapore) Pte Ltd (Singapore)	Importers, exporters, licensees, distributors and retailers of consumer fashion wear, timepieces, household furnishings and accessories	2,500	2,500	100	100
~	F J Benjamin Maxcom Pte Ltd (Singapore)	Inactive	50	50	100	100
~	F J Benjamin Concepts (S) Pte Ltd (Singapore)	Investment holding company	60	60	100	100
	Balance carried forward		5,810	5,810		

3. GROUP COMPANIES (CONT'D)

	Name of company (country of incorporation and place of business)	Principal activities	Cost 2003 $'000	Cost 2002 $'000	Percentage of equity held by the Group 2003 %	Percentage of equity held by the Group 2002 %
	Balance brought forward		5,810	5,810		
~	Manchester United (S.E.A.) Pte Ltd (Singapore)	Importers, exporters, licensees, distributors and retailers of consumer fashion wear and accessories; operators of cafés and entertainment outlets – discontinued in previous financial year	3,000	3,000	100	100
~	F. J. B. Investment Pte Ltd (Singapore)	Investment holding company	^	^	100	100
~	V.B. Fashions Pte Ltd (Singapore)	Importers, exporters, licensees, distributors and retailers of consumer fashion wear and accessories	140	140	70	70
*	F J Benjamin (M) Sdn. Bhd. (Malaysia)	Importers, licensees, distributors and retailers of consumer fashion wear, accessories and timepieces	859	859	100	100
+	F J Benjamin (Aust) Pty Limited (Australia)	Importers, licensees, distributors and retailers of consumer fashion wear and accessories	12,828	12,828	100	100
x	F J Benjamin (Taiwan) Ltd (Taiwan)	Importers, licensees and distributors of consumer fashion wear, accessories and timepieces; retailers of consumer fashion wear and accessories – discontinued during the financial year	3,909	3,909	75	75
≈	F J Benjamin (H.K.) Limited (Hong Kong)	Importers, licensees and distributors of timepieces	58,612	58,612	100	100
≈	BMI (Hong Kong) Limited (Hong Kong)	Inactive	1,119	1,119	100	100
≈	Ferro Designs Limited (Hong Kong)	Inactive	19	19	100	100
+	F. J. Benjamin Fashions (U.S.) Inc. (United States)	Inactive	289	289	100	100
			86,585	86,585		

3. GROUP COMPANIES (CONT'D)

	Name of company (country of incorporation and place of business)	Principal activities	Cost 2003 $'000	Cost 2002 $'000	Percentage of equity held by the Group 2003 %	Percentage of equity held by the Group 2002 %
	Held by subsidiary companies -					
≈ #	Rainier Trading Ltd (Hong Kong)	Importers, licensees, distributors and retailers of consumer fashion wear, accessories and timepieces (Inactive during the year)	9	9	50	50
*	Manchester United (Malaysia) Sdn Bhd (Malaysia)	Importers, exporters, licensees, distributors and retailers of consumer fashion wear and accessories; operators of cafés and entertainment outlets – discontinued in previous financial year	@	@	100	100
+	PT Meteor Prima Sejati (Indonesia)	Investment holding company	87	–	100	–

~ Audited by Ernst & Young, Singapore.

* Audited by Ernst & Young, Kuala Lumpur, Malaysia.

x Audited by Diwan Ernst & Young, Taipei, Taiwan.

≈ Audited by Ernst & Young, Hong Kong.

\+ Not required to be audited in the country of incorporation.

\# Considered a subsidiary company as the Group has the power to cast the majority of votes at board meetings.

@ Cost of investment is two Malaysian Ringgit.

^ Cost of investment is two Singapore Dollars.

During the financial year, PT Meteor Prima Sejati was acquired at net tangible assets value of $3,000 which was represented by a cash balance of $3,000 for a 100% shareholding in it. PT Meteor Prima Sejati was inactive prior to its acquisition. The paid-up and issued capital was increased from 500 shares to 900 shares by the issuance of 400 new shares of Indonesian Rp1,000,000 each after the acquisition.

4. REVENUE

Revenue of the Group represents the invoiced value of products and services supplied to external customers and membership subscription monies received. It excludes dividends, interest income and, in respect of the Group, intra-Group transactions. It is analysed as follows:

	Group 2003 $'000	Group 2002 $'000
Sale of products	105,230	112,748
Sale of services	339	399
	105,569	113,147

5. OTHER INCOME, NET

	Group 2003 $'000	Group 2002 $'000	Company 2003 $'000	Company 2002 $'000
Management fee income from subsidiary companies	–	–	4,095	4,122
Management fee income from associated companies	381	1,287	–	–
Market support and administrative services income from an associated company	1,895	–	–	–
Gross dividend income from unquoted subsidiary companies	–	–	2,609	2,500
Interest income from loans receivable from subsidiary companies	–	–	644	1,198
Other interest income	67	32	19	–
Rental income from subsidiary companies	–	–	1,218	1,038
Other rental income	767	512	267	353
Gain/(loss) on disposal of property, plant and equipment	21	(124)	–	–
Exchange translation gain / (loss)	1,516	1,700	(5)	(29)
Others	90	603	86	1
	4,737	4,010	8,933	9,183

6. EXCEPTIONAL ITEMS, NET

	Group 2003 $'000	Group 2002 $'000	Company 2003 $'000	Company 2002 $'000
Net gain arising from sale of investment in associated companies	2,229	–	3,098	–
(Closure cost) / net gain arising from termination of concession agreements and write-back of provision for restructuring expenses no longer required	(572)	#3,019	–	–
Provision for impairment of property, plant and equipment from impending shop closure	(461)	–	–	–
Write-back of provision for doubtful debts from Indonesian sub-distributor no longer required (Note 16)	4,783	–	–	–
Expense incurred to recover debts from Indonesian sub-distributor	(1,318)	–	–	–
(Loss) / gain on revaluation of interests in value of investment in subsidiary companies (Note 12)	–	–	(1,147)	587
	4,661	3,019	1,951	587
Discontinued operations - Taiwan retail	(2,394)	(980)	–	–
Discontinued operations - Food and beverage	(145)	(1,938)	–	–
	2,122	101	1,951	587

6. EXCEPTIONAL ITEMS, NET (CONT'D)

	Group		Company	
	2003 $'000	2002 $'000	2003 $'000	2002 $'000
The above are stated after charging :-				
Bad debts written-off (Note 16)	88	–	–	–
Provision for doubtful debts (Note 16)	40	–	–	–
Depreciation of property, plant and equipment (Note 11)	502	717	–	–
Gain on disposal of plant and equipment	11	–	–	–
Rental costs	1,892	1,801	–	–
Staff costs	1,186	1,408	–	–

\# In the previous financial year, the Group sold its Fendi operations in Malaysia and Singapore. The gain arose from goodwill payments and write-back of restructuring costs no longer required.

Discontinued operations - Taiwan retail

The Group discontinued its retail business in Taiwan during the financial year as it is part of the Group's ongoing business strategy to downsize and terminate any loss making businesses.

The carrying amounts of the total assets and liabilities after writing down the assets value to their recoverable value relating to the discontinued operations as at the financial year ends are as follows:

	2003 $'000	2002 $'000
Total assets	1,250	2,705
Total liabilities	(899)	(594)
Net assets	351	2,111

The net cash flow attributable for the financial year ends are as follows:

	2003 $'000	2002 $'000
Operating	(405)	(1,021)
Investing	(123)	(287)
Net cash outflow	(528)	(1,308)

The revenue, expenses and results from the operations of the Taiwan retail business are as follows:

	2003 $'000	2002 $'000
Revenue	5,132	6,011
Operating costs	(6,783)	(6,991)
Loss from operating activities	(1,651)	(980)
Provision for obsolete stocks (Note 15)	(658)	–
Provision for impairment in property, plant and equipment	(85)	–
Net loss from discontinued operations	(2,394)	(980)

There is no tax expense due to the tax loss position of the discontinued operations. Deferred tax assets have not been recognised in respect of the tax losses due to uncertainty of its recoverability.

6. EXCEPTIONAL ITEMS, NET (CONT'D)

Discontinued operations - Food and beverage

The Group discontinued its food and beverage and entertainment business during the previous financial year. The operation in Singapore was terminated with its assets transferred to an associated company, Devils Bar Pte Ltd.

The disposal is consistent with the Group's long term strategy to work in partnership with proven successful operators in non-core businesses.

As the assets were sold at net book value, no material financial impact to the Group's result arose from the disposal of these assets. The carrying amounts of the total assets and liabilities relating to the discontinued operations as at the financial year ends are as follows:

	2003 $'000	2002 $'000
Total assets	–	491
Total liabilities	–	(210)
Net assets	–	281

The net cash flow attributable for the financial year ends are as follows:

	2003 $'000	2002 $'000
Operating	236	(1,144)
Investing	–	4,000
Net cash outflow	236	2,856

The revenue, expenses and results from the operations of the food and beverage and entertainment business are as follows:

	2003 $'000	2002 $'000
Revenue	–	531
Operating costs	(145)	(1,769)
Loss from operating activities	(145)	(1,238)
Provision for impairment in property, plant and equipment	–	(700)
Net loss from discontinued operations	(145)	(1,938)

There is no tax expense due to the tax loss position of the discontinued operations. Deferred tax assets have not been recognised in respect of the tax losses due to uncertainty of its recoverability.

7. FINANCE COSTS

	Group		Company	
	2003 $'000	2002 $'000	2003 $'000	2002 $'000
Term loans	1,109	1,573	820	1,573
Mortgage loans	401	1,417	71	65
Other borrowings	397	641	–	–
	1,907	3,631	891	1,638

8. PROFIT BEFORE TAXATION

	Group 2003 $'000	Group 2002 $'000	Company 2003 $'000	Company 2002 $'000
Profit before taxation (excluding exceptional items, net - Note 6) is stated after charging / (crediting) :-				
Auditors' remuneration				
Auditors of the Company :-				
Audit related services				
– current year	184	172	66	65
– (over)/under provision in respect of prior years	(2)	10	9	–
Non-audit services	157	103	76	53
Other auditors	97	179	–	–
Directors' remuneration :-				
Directors of the Company	1,947	1,288	1,702	1,066
Other Directors of subsidiary companies	1,383	620	–	–
Directors' fees	135	100	135	100
Depreciation of property, plant and equipment (Note 11)	3,117	3,226	607	614
(Write-back) / provision for doubtful debts (Notes 16 and 17)	(326)	497	–	–
Bad debts (written-back) / written-off (Note 16)	(28)	15	–	–
Stocks provision for goods sold no longer required (Note 15)	(1,648)	(5,025)	–	–
Stocks written-off / (written-back) (Note 15)	733	(318)	–	–
Provident fund contributions	1,514	1,559	119	100

Remuneration of Directors of the Company is analysed pursuant to the Singapore Exchange Securities Trading Limited listing rules as follows :

Number of Directors in remuneration bands

	2003	2002
$500,000 and above	1	–
$250,000 to $499,999	3	3
Below $250,000	5	5
	9	8

Immediate family members of Directors in remuneration bands

	2003	2002
$250,000 and above	–	–
$150,000 to $249,999	1	1
	1	1

9. TAXATION

	Group		Company	
	2003 $'000	2002 $'000	2003 $'000	2002 $'000
Based on profit for the year :-				
Current taxation -				
Singapore	(330)	222	–	550
Overseas	626	706	412	57
Share of taxation of associated companies	417	207	–	–
(Over) / under provision in respect of prior years :-				
Singapore	(166)	(34)	105	–
Deferred taxation (Note 21)	(220)	(8)	(220)	–
	327	1,093	297	607

A reconciliation of the taxation charge determined on the results of the Group and of the Company by applying the Singapore statutory tax rate to the taxation expenses is as follows:

	Group		Company	
	2003 $'000	2002 $'000	2003 $'000	2002 $'000
Profit before taxation	1,825	5,655	6,015	3,916
Tax calculated at statutory tax rate of 22.0% (2002: 22.0%)	401	1,244	1,323	862
Effect of different tax rates in other countries	(214)	(701)	66	–
Income not subjected to tax	(1,311)	–	(688)	–
Expenses not deductible for tax purposes	921	1,688	171	136
Group tax relief	–	–	(715)	(391)
Utilisation of tax losses and capital allowances brought forward	–	(2,708)	–	–
Deferred tax assets not required	687	1,604	–	–
Others	9	–	35	–
(Over) / under provision in respect of prior years	(166)	(34)	105	–
	327	1,093	297	607

At 30 June 2003, certain subsidiary companies had unutilised tax losses and capital allowances of approximately $73.1 million (2002: $66.4 million) and $2.2 million (2002: $576,000) respectively, available for set off against future taxable profits of the companies in which the losses arose for which no deferred tax assets are recognised due to uncertainty of their recoverability. The use of tax losses and unutilised capital allowances are subject to the relevant provisions of the respective countries' tax legislation.

As at 30 June 2003, there is no recognised or unrecognised deferred income tax liability (2002: nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiary and associated companies, as the Group has no liability to additional taxation should such amounts be remitted due to the availability of double taxation relief or the temporary differences will not be reversed in the foreseeable future.

The Company intends to transfer unutilised tax losses of $3,250,000 from certain subsidiary companies under the group tax relief system, subject to compliance with administrative procedures imposed by the Comptroller of Income Tax.

There are no income tax consequences attached to the payment of dividends by the Company to the shareholders of the Company.

10. BASIC AND DILUTED EARNINGS PER SHARE (CENTS)

The basic and diluted earnings per share is calculated based on net profit for the financial year attributable to ordinary shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted earnings per share computation for the years ended 30 June:

	Group 2003 $'000	Group 2002 $'000
Net profit attributable to ordinary shareholders for basic and diluted earnings per share	1,517	3,100
	'000	'000
Weighted average number of ordinary shares in issue applicable to basic and diluted earnings per share	285,000	253,603

For the purpose of calculating the diluted earnings per share, the effect of the warrants option issued was anti-dilutive (diluted earnings per share is higher than the basic earnings per share) and is disregarded.

11. PROPERTY, PLANT AND EQUIPMENT, NET

Group	Furniture and Fittings $'000	Electrical Installation and Office Equipment $'000	Motor Vehicles $'000	Data Processing Equipment $'000	Leasehold Improvements $'000	Leasehold Buildings $'000	Freehold Land and Buildings $'000	Total $'000
Cost								
At beginning of the year	2,159	2,139	1,687	6,347	15,014	40,793	42,507	110,646
Currency realignment	1	–	(1)	217	(2)	(180)	–	35
Additions	61	99	29	200	1,758	–	–	2,147
Disposals	(157)	(477)	(105)	(139)	(2,755)	–	–	(3,633)
At end of the year	2,064	1,761	1,610	6,625	14,015	40,613	42,507	109,195
Representing -								
Cost	2,064	1,761	1,610	6,625	14,015	40,613	9,507	76,195
Valuation 1994	–	–	–	–	–	–	33,000	33,000
	2,064	1,761	1,610	6,625	14,015	40,613	42,507	109,195
Accumulated depreciation and impairment								
At beginning of the year	1,408	1,558	735	5,881	12,064	13,221	2,741	37,608
Currency realignment	3	(2)	1	217	18	(63)	–	174
Charge for the year (Notes 6 and 8)	190	92	250	298	1,808	603	378	3,619
Impairment loss	–	11	–	3	532	–	–	546
Disposals	(94)	(118)	(51)	–	(2,711)	–	–	(2,974)
At end of the year	1,507	1,541	935	6,399	11,711	13,761	3,119	38,973
Charge for 2002	232	217	237	395	1,881	603	378	3,943
Net book value								
At end of the year	557	220	675	226	2,304	26,852	39,388	70,222
At beginning of the year	751	581	952	466	2,950	27,572	39,766	73,038

The impairment loss represents the write-off of certain plant and equipment with no probable salvage value due to the impending closure of certain retail outlets and the discontinuation of the Group's Taiwan retail operations which have been charged to the profit and loss account.

11. PROPERTY, PLANT AND EQUIPMENT, NET(CONT'D)

Company	Furniture and Fittings $'000	Electrical Installation and Office Equipment $'000	Motor Vehicles $'000	Data Processing Equipment $'000	Leasehold Improvements $'000	Freehold Land and Buildings $'000	Total $'000
Cost							
At beginning of the year	449	472	1,008	520	1,729	42,507	46,685
Additions	–	4	–	20	–	–	24
Disposals	–	(5)	–	–	(85)	–	(90)
At end of the year	449	471	1,008	540	1,644	42,507	46,619
Representing -							
Cost	449	471	1,008	540	1,644	9,507	13,619
Valuation 1994	–	–	–	–	–	33,000	33,000
	449	471	1,008	540	1,644	42,507	46,619
Accumulated depreciation							
At beginning of the year	270	467	342	516	1,671	2,741	6,007
Charge for the year	19	6	188	15	1	378	607
Disposals	–	(5)	–	–	(85)	–	(90)
At end of the year	289	468	530	531	1,587	3,119	6,524
Charge for 2002	19	10	188	13	6	378	614
Net book value							
At end of the year	160	3	478	9	57	39,388	40,095
At beginning of the year	179	5	666	4	58	39,766	40,678

	Group 2003 $'000	Group 2002 $'000	Company 2003 $'000	Company 2002 $'000
Net book value includes plant and equipment under finance leases: -				
Motor vehicles	626	666	478	666

The freehold land and buildings of the Group and of the Company which are stated at valuation of $33,000,000 were revalued by the Directors in 1994 based on professional valuation done on existing use basis. The net book value of the freehold land and buildings had it been carried at cost would have been $37,655,000 (2002: $37,845,000).

Details of property, plant and equipment pledged as security for bank borrowings are disclosed in Note 20.

12. INTERESTS IN SUBSIDIARY COMPANIES, NET

	Company	
	2003	2002
	$'000	$'000
Unquoted shares, at cost (Note 3)	86,585	86,585
Loans receivable, unsecured	11,862	9,484
Amounts receivable / (payable) on intercompany balances	1,834	(9,591)
	100,281	86,478
Revaluation deficit, net	(49,732)	(48,585)
	50,549	37,893
Analysis of revaluation deficit, net		
Balance at beginning	48,585	49,654
Charged to / (write-back) of exceptional items (Note 6)	1,147	(587)
Utilised during the year	–	(482)
Balance at end	49,732	48,585

The amounts receivable from intercompanies are non-trade related, unsecured, interest-free, have no fixed terms of repayment and are not expected to be repaid within one year. The loans receivable are non-trade related, unsecured, bear interest at 5.5% (2002: 6.0% to 7.4%) per annum, have no fixed terms of repayment and are not expected to be repaid within one year.

Further details regarding subsidiary companies are set out in Note 3 to the financial statements.

13. INTERESTS IN ASSOCIATED COMPANIES

	Group		Company	
	2003	2002	2003	2002
	$'000	$'000	$'000	$'000
Unquoted shares, at cost	5,153	7,016	–	1,224
Share of post acquisition (losses)/profit	(631)	1,694	–	–
Currency realignment	19	18	–	–
	4,541	8,728	–	1,224
Loans receivable	6,733	882	–	1,132
Amounts receivable on current accounts	382	442	15	5
	11,656	10,052	15	2,361

All receivables from associated companies are non-trade related, unsecured, interest-free, have no fixed terms of repayment and are not expected to be repaid within one year.

13. INTERESTS IN ASSOCIATED COMPANIES (CONT'D)

The associated company held by the Company at 30 June 2002 is: -

	Name of company (country of incorporation and place of business)	Principal activities	Cost of Investment 2003 $'000	Cost of Investment 2002 $'000	Percentage of equity held 2003 %	Percentage of equity held 2002 %
^*	Gucci Singapore Pte Ltd (Singapore)	Importers, exporters, distributors and retailers of consumer fashion wear, accessories and timepieces.	–	1,224	–	35
			–	1,224		

The significant associated companies held by the subsidiary companies at 30 June are:

	Name of company (country of incorporation and place of business)	Principal activities	Percentage of equity held by the Group 2003 %	Percentage of equity held by the Group 2002 %
+*	Gucci (Malaysia) Sdn Bhd (Malaysia)	Importers, exporters, distributors and retailers of consumer fashion wear, accessories and timepieces.	–	35
~#	Devils Bar Pte Ltd (Singapore)	Operators of cafes and entertainment outlets.	50	50
~#@	Manchester United Food & Beverage (Asia) Pte Ltd (Singapore)	Operators of cafes.	50	50

~ Audited by Ernst & Young, Singapore.
^ Audited by PricewaterhouseCoopers, Singapore.
+ Audited by PricewatehouseCoopers, Kuala Lumpur, Malaysia.

* Under the terms of the Joint Venture Agreement with the Gucci Group N. V., the Group has a put option, under which the Group has the right to sell its interests in these associated companies to the Gucci Group N. V. on or after June 2002 (second anniversary of the Joint Venture Agreement), at prices to be determined based on the values of the businesses at that time. The Group exercised the option on 27 June 2003 and the respective sales were completed during the financial year.

\# Both Manchester United Food & Beverage (Asia) Pte Ltd ("MUFB") and Devils Bar Pte Ltd are managed by the respective joint venture partners, with the Group only exerting significant influence and not control over these entities.

@ Under the terms of the Joint Venture Agreement with Manchester United PLC ("MUPLC"), MUPLC has a call option to subscribe up to 8% stake in MUFB's enlarged issued share capital at terms provided for in the agreement, subject to the realisation of certain conditions.

14. OTHER INVESTMENTS, NET

	Group		Company	
	2003	2002	2003	2002
	$'000	$'000	$'000	$'000
At cost: -				
Unquoted equity investments	2,514	2,514	3,028	3,028
Quoted equity investments	1	1	1	1
	2,515	2,515	3,029	3,029
Provision for diminution in value	(2,514)	(2,514)	(3,028)	(3,028)
	1	1	1	1
Analysis of provision for diminution in value				
Balance at beginning and end	2,514	2,514	3,028	3,028
Market value: -				
Quoted equity investments	5	5	5	5

15. STOCKS, NET

	Group	
	2003	2002
	$'000	$'000
Trading stocks: -		
On hand	26,639	30,563
On consignment	1,200	2,090
In transit	3,484	2,651
	31,323	35,304
Provision for obsolete stocks	(6,428)	(8,093)
	24,895	27,211
Stocks valued at cost	19,755	14,068
Stocks valued at net realisable value	5,140	13,143
	24,895	27,211
Analysis of provision for obsolete stocks: -		
Balance at beginning	8,093	16,010
Charged to exceptional items (Note 6)	658	–
Stocks provision for goods sold no longer required (Note 8)	(1,648)	(5,025)
Provision utilised during the financial year	(700)	(3,215)
Currency realignment	25	323
Balance at end	6,428	8,093
Stocks written-off / (written-back) directly to profit and loss account (Note 8)	733	(318)

16. TRADE DEBTORS, NET

	Group 2003 $'000	Group 2002 $'000
External trade debtors	10,010	31,808
Provision for doubtful debts	(1,340)	(7,138)
	8,670	24,670
Trade debts due from an associated company	2,275	–
	10,945	24,670
Analysis of provision for doubtful debts: -		
Balance at beginning	7,138	7,575
Write-back of provision for doubtful debts from a non-cash settlement		
– Gross (Note 6)	(4,783)	–
– Minority's share	939	–
Charged to exceptional items (Note 6)	40	–
(Write-back)/charged to profit and loss account (Note 8)	(276)	497
Bad debts written-off	(1,699)	(583)
Currency realignment	(19)	(351)
Balance at end	1,340	7,138
Bad debts written-off directly to profit and loss account (Notes 6 and 8)	60	15

Included in trade debtors in the previous year was an amount of $17.6 million due from an Indonesian sub-distributor with a provision for $5.5 million. During the financial year, the debt was settled through a partial cash settlement and a partial asset distribution.

17. OTHER DEBTORS, NET

	Group 2003 $'000	Group 2002 $'000	Company 2003 $'000	Company 2002 $'000
Other receivables and prepayments	3,355	4,421	28	254
Provision for doubtful debts	(212)	(262)	–	–
	3,143	4,159	28	254
Deposits	1,997	2,187	36	35
Advances	7	16	2	–
Tax recoverable	352	20	330	–
	5,499	6,382	396	289
Analysis of provision for doubtful debts: -				
Balance at beginning	262	292	–	–
Write-back to profit and loss account (Note 8)	(50)	–	–	–
Bad debts written-off	–	(30)	–	–
Balance at end	212	262	–	–

18. TRADE AND OTHER CREDITORS

	Group		Company	
	2003	2002	2003	2002
	$'000	$'000	$'000	$'000
Trade creditors	15,199	15,981	–	–
Accruals	4,119	5,404	730	729
Sundry creditors	2,585	4,379	290	852
Advance from a minority shareholder of a subsidiary company	120	120	–	–
	22,023	25,884	1,020	1,581

The advance from a minority shareholder of a subsidiary company bears interest of 2.5% (2002: 2.5%) per annum and has no fixed repayment terms.

19. FINANCE LEASE CREDITORS

The Group has various finance lease facilities for its motor vehicles.

	Group		Company	
	2003	2002	2003	2002
	$'000	$'000	$'000	$'000
Present values of minimum lease payments are as follows:-				
Repayable within one year	140	175	102	102
Repayable between one year to five years	359	506	336	438
	499	681	438	540
The future minimum lease repayments are as follows: -				
Within one year	163	205	120	121
Between one year to five years	425	595	399	518
Total minimum lease payments	588	800	519	639
Amount representing interest	(89)	(119)	(81)	(99)
	499	681	438	540

20. BANK BORROWINGS

	Group		Company	
	2003 $'000	2002 $'000	2003 $'000	2002 $'000
Current				
Bank overdrafts (Note 26)	2,777	2,294	–	–
Trust receipts and bills payable	4,757	6,031	–	–
Short term loans	5,138	8,590	–	–
Term loan	2,800	6,800	2,800	6,800
Mortgage loans	2,312	4,719	733	733
	17,784	28,434	3,533	7,533
Non-current				
Repayment between one year to five years:				
Term loan	11,200	19,200	11,200	19,200
Mortgage loans	8,725	11,076	1,283	2,016
	19,925	30,276	12,483	21,216

Bank overdrafts, trust receipts, bills payable, short term loan facilities for subsidiary companies are secured by a second mortgage over the freehold land and buildings and the leasehold buildings of the Group, fixed and floating charges on the assets of respective subsidiary companies, a corporate guarantee given by the Company amounting to $34,457,000 (2002: $36,106,000) and joint and several guarantees given by some of its Directors in accordance with the agreed terms and conditions.

The short term loans bear interest at rates that ranged from 3.38% to 8.50% (2002: 3.38% to 9.85%) per annum during the year.

The Company has a $11.2 million (2002: $18.0 million) Revolving Credit Facility ("RCF") and a $2.8 million (2002: $8.0 million) term loan secured by mortgage over the freehold land and building and the leasehold building of the Group, and a fixed and floating charge on the Group's assets. Interest rates ranged from 3.13% to 6.00% (2002: 3.38% to 7.40%) per annum during the year. The RCF is repayable in July 2004. Subsequent to the financial year end, $1.4 million of the term loan has been repaid and the balance is repayable semi-annually from March 2004.

The Company has a ten year term loan secured by a mortgage over #09-04 and #10-03/04 Henderson Industrial Park, 211 Henderson Road, Singapore. Interest rates ranged from 2.85% to 3.44% (2002: 2.94% to 3.19%) per annum during the year. The loan is repayable by quarterly instalments of $183,250 each.

The Group also has a HKD40.0 million (2002: HKD57.6 million) term loan secured by a mortgage over a leasehold property in Hong Kong. Interest rates ranged from 3.25% to 3.69% (2002: 3.25% to 5.50%) per annum during the year. Subsequent to the financial year end, HKD7.0 million of the loan has been repaid. The balance of HKD33.0 million is repayable in July 2005.

21. DEFERRED TAXATION

	Group 2003 $'000	Group 2002 $'000	Company 2003 $'000	Company 2002 $'000
Balance at beginning	920	928	920	920
Written-back during the financial year (Note 9)	(220)	(8)	(220)	–
Balance at end	700	920	700	920

Deferred tax is mainly attributable to unremitted interest income.

22. SHARE CAPITAL

	Company 2003 $'000	Company 2002 $'000
Authorised:		
1,000,000,000 (2002: 1,000,000,000) ordinary shares of $0.20 each	200,000	200,000
Issued and fully paid:		
At beginning of the financial year		
285,000,000 (2002: 200,000,000) ordinary shares of $0.20 each	57,000	40,000
Issued during the financial year:-		
Nil (2002: 75,000,000) ordinary shares of $0.20 each for cash at par	–	15,000
Nil (2002: 10,000,000) ordinary shares of $0.20 each for cash at par pursuant to an option granted to a Director	–	2,000
At end of the financial year		
285,000,000 (2002: 285,000,000) ordinary shares of $0.20 each	57,000	57,000

The holders of ordinary shares are entitiled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

23. SHARE PREMIUM

The share premium account may be applied only for the purpose specified in the Companies Act. The balance is not available for distribution of dividends except in the form of shares.

24. WARRANT RESERVE

As and when the Warrants are exercised the net proceeds relating to the Warrants exercised will be transferred to the share premium account. Upon expiry of the Warrants, it may be converted to a distributable reserve.

25. EXCHANGE TRANSLATION RESERVE

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that are not integral to the operations of the Group.

26. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated statement of cash flow comprise the following balance sheet amounts:

	Group 2003 $'000	Group 2002 $'000
Cash and bank balances	15,151	3,661
Bank overdrafts (Note 20)	(2,777)	(2,294)
	12,374	1,367

27. FINANCIAL INSTRUMENTS

The Group is mainly exposed to interest rate risk, currency exchange rate risk, credit risk and liquidity risk. The Group's risk management policies and guidelines are set to monitor and control the potential material adverse impact of these exposures.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the debt obligations. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts and by spreading out the timing of interest rate fixing.

Currency exchange risk

The Group is exposed to movements in foreign currency exchange rates through its overseas trading activities. The Group seeks to maintain a natural hedge through the matching of liabilities against assets in the same currency or against the entity's functional currency. Transactional exposure in currencies other than the entity's functional currency is kept to a minimal level. Where appropriate, the Group engages in foreign currency forward contracts to reduce exposure from the currency fluctuations.

As at 30 June 2003, the Group has outstanding forward contracts amounting to US$335,000 and CHF840,000 (2002:US$1,055,000), with an unrealised exchange gain of $5,000 (2002: exchange loss of $70,000) not recognised in the financial statements.

The Group is also exposed to foreign exchange movements in its investments in foreign subsidiary and associated companies. This currency translation risk is regularly monitored.

Credit risk

The Group has no significant concentration of credit risk. The Group's policy is to manage its credit risk through application of credit approvals, credit limits and monitoring procedures.

Liquidity risk

The Group monitors and maintains sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

Fair value

The fair value of each class of financial instruments is as follows:

Balances with subsidiary companies and associated companies

In the Directors' opinion, it is not practicable to determine with sufficient reliability the fair value of the loans receivable from subsidiary companies, amounts receivable/payable from/to subsidiary companies, loans receivable from associated companies, amounts receivable/payable from current accounts from/to associated companies as there are no fixed terms of repayment for intra-Group borrowings and the amounts are not expected to be repaid within the next twelve months.

Current assets

The carrying amounts of all current financial assets approximate their fair values due to the relatively short maturity term of these financial instruments.

Current liabilities

The carrying amounts of all current financial liabilities approximate their fair value due to the relatively short-term maturity of these financial instruments.

Long term liabilities

The fair value of the long-term financial liabilities are not materially different from their carrying values as at 30 June 2003.

28. SEGMENT INFORMATION

The Group's businesses are generally segmented by the nature of business and customers. Intersegment transactions are carried out based on terms agreed between segments.

The following tables present revenue and profit information regarding the business segments for the years ended 30 June 2003 and 2002 and certain asset and liability information regarding the business segments as at 30 June 2003 and 2002.

Business segments

	MU Retail		Ongoing Retail		Distribution		Export		Corporate and Others		Consolidated	
	2003 $'000	2002 $'000	2003 $'000	2002 $'000	2003 $'000	2002 $'000	2003 $'000	2002 $'000	2003 $'000	2002 $'000	2003 $'000	2002 $'000
Segment revenue												
Total revenue	5,685	4,954	29,500	40,838	55,815	49,967	24,169	36,715	339	399	115,508	132,873
Intersegment sales	–	–	–	–	(8,080)	(6,877)	(1,859)	(12,849)	–	–	(9,939)	(19,726)
Sales to external consumers	5,685	4,954	29,500	40,838	47,735	43,090	22,310	23,866	339	399	105,569	113,147
Segment results	(1,950)	(1,500)	888	5,319	4,083	4,177	1,151	4,920	(2,866)	(4,253)	1,306	8,663
Exceptional items											2,122	101
Interest income											67	32
Finance costs											(1,907)	(3,631)
Share of profits of associated companies	–	–	739	780	–	–	–	–	(502)	(290)	237	490
Profit before taxation											1,825	5,655
Taxation											(327)	(1,093)
Profit after taxation											1,498	4,562
Minority interests											19	(1,462)
Profit for the financial year											1,517	3,100
Segment assets	3,276	4,598	15,274	19,167	20,664	21,746	9,085	19,372	78,413	70,079	126,712	134,962
Investment in associated companies	–	–	7,593	5,177	–	–	–	–	4,063	4,875	11,656	10,052
Other investments	–	–	–	–	–	–	–	–	1	1	1	1
Total assets											138,369	145,015
Segment liabilities	654	744	7,169	10,495	10,460	10,638	5,349	3,645	1,168	2,656	24,800	28,178
Unallocated liabilities											36,471	59,018
Total Liabilities											61,271	87,196
Additions to property, plant and equipment	340	1,633	1,580	1,063	150	216	59	47	18	276	2,147	3,235
Depreciation	409	353	1,487	1,457	221	289	86	77	1,416	1,767	3,619	3,943
Impairment loss on property, plant and equipment	461	–	85	–	–	–	–	–	–	700	546	700

28. SEGMENT INFORMATION (CONT'D)

Geographical segments

The following table presents revenue information regarding geographical segments for the years ended 30 June 2003 and 2002 and certain asset information regarding geographical segments as at 30 June 2003 and 2002.

	South East Asia		North Asia		Australia		Consolidated	
	2003	2002	2003	2002	2003	2002	2003	2002
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Turnover	80,099	75,024	22,186	32,172	3,284	5,951	105,569	113,147
Other geographical information:								
Assets	97,552	87,704	37,389	54,111	3,428	3,200	138,369	145,015
Capital expenditure	1,815	2,947	332	280	–	8	2,147	3,235

29. OPERATING LEASES

The Group has various operating lease agreements for retail outlets, office premises and office equipment with certain lease agreements that are non-cancellable within a year. The leases expire at various dates till 2007 and contain provisions for rental adjustments. Future minimum lease payments for all leases with initial or remaining terms of one year or more are as follows: -

	Group	
	2003	2002
	$'000	$'000
Within one year	8,890	6,904
Between one year to five years	11,025	9,625
	19,915	16,529

30. CONTINGENT LIABILITIES, UNSECURED

	Group		Company	
	2003	2002	2003	2002
	$'000	$'000	$'000	$'000
Contingent liabilities not provided for in the financial statements: -				
Guarantees of banking facilities provided to the subsidiary companies	–	–	34,457	36,106
Bankers' guarantees in lieu of rental deposits	961	947	–	–
	961	947	34,457	36,106

31. COMMITMENTS

As at 30 June 2003, the Group has entered into several licensing and distribution agreements with its respective principals. Under the agreements, the Group is committed to certain levels of purchases and advertising expenditure in accordance with the agreed terms and conditions.

32. DIVIDEND

The Directors have proposed a first and final dividend of 0.25 cent per ordinary share less tax of 22% amounting to $555,750 be paid in respect of the financial year under review, to be approved at the forthcoming Annual General Meeting.

33. SUBSEQUENT EVENT

Under the current structure, all Singapore subsidiary companies are held directly by the Company. Whilst there may be some advantages to having a relatively flat structure, there are several disadvantages including unclear roles and responsibilities operationally as the holding and operating companies are in Singapore. External parties have often looked upon the Singapore holding and operational companies as one and this has resulted in some confusion. In order to streamline ownership, control, management and reporting lines of the Singapore fashion and accessories business, the Company transferred two of its subsidiary companies, F J Benjamin (Singapore) Pte Ltd and B.M.I. (Pte) Ltd to its wholly owned subsidiary company, F.J.B. Investment Pte Ltd for a consideration of $30 million on 28 August 2003. The disposal will result in a gain of $5 million for the Company. However, there will be no financial impact on the Group.

34. COMPARATIVE FIGURES

As a result of the discontinued operations of the Taiwan retail business, net loss from discontinued operations of $980,000 has been reclassified as “Exceptional Items” (Note 6).

Non-core assets of the Group have been reclassified as “Corporate and Others” segment instead of being arbitrarily allocated to the operating segments in the previous financial year. Provision for taxation and liabilities have also been excluded from the segmental liabilities. In the opinion of the Directors, the reclassification reflects a fairer presentation.

Comparative figures have been adjusted to conform with changes in presentation in the current financial year as stated above.

NOTICE OF ANNUAL GENERAL MEETING
F J BENJAMIN HOLDINGS LTD
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of F J Benjamin Holdings Ltd ("the Company") will be held at Vista 1 Room, Level 3, Hilton Hotel, 581 Orchard Road, Singapore 238883 on 13 November 2003 at 3.30 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company and of the Group for the year ended 30 June 2003 together with the Auditors' Report thereon. (Resolution 1)

2. To declare a first and final dividend of 0.25 cent per ordinary share less income tax for the year ended 30 June 2003 (2002: 0.1 cent per ordinary share). (Resolution 2)

3. To re-elect the following Directors retiring pursuant to Article 102 of the Company's Articles of Association:-

   Ms Wong Ai Fong (Resolution 3a)
   Mr Douglas Jackie Benjamin (Resolution 3b)

   Ms Wong Ai Fong will, upon re-election as a Director of the Company, remain a member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

4. To pass the following resolution pursuant to Section 153(6) of the Companies Act, Cap. 50:-

   "That pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Joseph Grimberg be re-appointed a Director of the Company to hold office until the next Annual General Meeting."
   [See Explanatory Note (i)] (Resolution 4)

   Mr Joseph Grimberg will, upon re-appointment as a Director of the Company, remain a member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

5. To approve the payment of Directors' fees of $135,000 for the year ended 30 June 2003 (2002: $100,000). (Resolution 5)

6. To re-appoint Messrs Ernst & Young as the Company's Auditors and to authorise the Directors to fix their remuneration. (Resolution 6)

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without any modifications:

7. Authority to allot and issue new shares up to 50 per centum (50%) of the issued share capital of the Company

   That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Directors be authorised to allot and issue shares in the Company (whether by way of rights, bonus or otherwise), and to issue convertible securities and any shares in the Company pursuant to such convertible securities, at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares (including any shares to be issued pursuant to convertible securities) to be allotted and issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the issued share capital of the Company at the time of the passing of this Resolution, of which the aggregate number of shares (including any shares to be issued pursuant to convertible securities) to be issued other than on a pro-rata basis to all shareholders of the Company shall not exceed twenty per centum (20%) of the issued share capital of the Company, and that such authority shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the Company's next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier, except that the Directors shall be authorised to allot and issue new shares pursuant to such convertible securities notwithstanding that such authority may have ceased to be in force at the time the shares are to be issued.

[See Explanatory Note (ii)] (Resolution 7)

ANY OTHER BUSINESS

8. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

By Order of the Board

Mervyn Lim Sing Hok
Dilhan Pillay Sandrasegara
Joint Company Secretaries

28 October 2003

EXPLANATORY NOTES:

(i) The effect of the Ordinary Resolution 4 proposed in item 4 above, is to re-appoint a Director who is over 70 years of age.

(ii) The Ordinary Resolution 7 proposed in item 7 above, if passed, will authorise the Directors from the date of the above Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or when varied or revoked by the Company in general meeting, whichever is the earlier, to allot and issue shares and convertible securities in the Company. The aggregate number of shares (including any shares issued pursuant to convertible securities) that the Directors may allot and issue under this Resolution would not exceed fifty per centum (50%) of the issued share capital of the Company at the time of the passing of this Resolution. For issue of shares (including any shares to be issued pursuant to convertible securities) other than on a pro-rata basis to all shareholders, the aggregate number of shares (including any shares to be issued pursuant to convertible securities) to be issued shall not exceed twenty per centum (20%) of the issued share capital (as defined in Resolution 7) of the Company.

For the purpose of this Resolution, the percentage of issued share capital is based on the Company's issued share capital at the time this Resolution is passed after adjusting for (a) new shares arising from the conversion of convertible securities or employee share options in issue when this Resolution is passed and (b) any subsequent consolidation or subdivision of shares.

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.
2. If the appointor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.
3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 6B Orange Grove Road, Singapore 258332 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

F J BENJAMIN HOLDINGS LTD
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT
1. This Annual Report is also forwarded to investors who have used their CPF monies to buy shares in the Company at the request of their CPF Approved Nominees, and sent solely for their information only.
2. The Proxy Form is therefore not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ______________________________

of ______________________________

being a member/members of F J Benjamin Holdings Ltd (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at Vista 1 Room, Level 3, Hilton Hotel, 581 Orchard Road, Singapore 238883 on 13 November 2003 at 3.30 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

(Please indicate your vote "For" or "Against" with a tick [✔] within the box provided.)

No.	Resolutions relating to:	For	Against
1	Adoption of Directors' Report and Audited Accounts for the year ended 30 June 2003		
2	Declaration of first and final dividend		
3a	Re-election of Ms Wong Ai Fong as a Director pursuant to Article 102 of the Company's Articles of Association		
3b	Re-election of Mr Douglas Jackie Benjamin as a Director pursuant to Article 102 of the Company's Articles of Association		
4	Re-appointment of Mr Joseph Grimberg as a Director pursuant to Section 153(6) of the Companies Act, Cap. 50		
5	Approval of Directors' fees amounting to $135,000		
6	Re-appointment of Ernst & Young as Auditors		
7	Authority to allot and issue new shares		

Dated this __________ Day of ________________ 2003

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature of Shareholder(s) or,
Common Seal of Corporate Shareholder

Notes :

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 6B Orange Grove Road, Singapore 258332 not less than forty-eight (48) hours before the time appointed for the Meeting.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.