

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”). For effective corporate governance, the Company has put in place various self-regulatory and monitoring mechanisms as described below.

BOARD OF DIRECTORS

The Board’s Conduct of its Affairs – Principle 1

Apart from its statutory responsibilities, the Board sets the overall strategy of the Company and its subsidiaries (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 Nominating Committee, the Remuneration Committee and the Audit Committee.

The Board meets regularly on a quarterly basis and as required. 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 Board has adopted a set of internal controls which lists out the approval limits for capital expenditure, investments and divestments and bank borrowings at Board level. Approval of sub-limits are also provided at management level to facilitate operational efficiency.

The attendance of the Directors at these meetings during the financial year is as follows:

	Board		Executive Committee		Nominating Committee		Remuneration Committee		Audit Committee	
	No. of meetings									
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Frank Benjamin	4	4	4	4	1	1	NA	NA	NA	NA
Keith Tay Ah Kee	4	4	4	4	NA	NA	2	2	NA	NA
Eli Manasseh (Nash) Benjamin	4	4	4	4	NA	NA	NA	NA	NA	NA
Douglas Benjamin	4	4	4	4	NA	NA	NA	NA	NA	NA
Karen Chong	4	4	4	4	NA	NA	NA	NA	NA	NA
Joseph Grimberg	4	4	NA	NA	1	1	2	2	4	4
Reggie Thein	4	4	NA	NA	1	1	2	2	4	4
Wong Ai Fong	4	4	NA	NA	NA	NA	NA	NA	4	4
Chew Kwee San	4	4	NA	NA	NA	NA	NA	NA	NA	NA

Newly appointed Directors are briefed on the Group’s business activities, strategic direction, corporate governance and the regulatory environment in which the Group operates as well as relevant laws and regulations.

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Board Composition and Balance – Principle 2

As at the end of the financial year, the Board comprises nine Directors, five of whom are Independent Directors.

Based on its composition, the Board 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.

Chairman and Chief Executive Officer – Principle 3

The Chairman and Chief Executive Officer ("CEO") functions are assumed by different individuals, thus ensuring an appropriate balance of power and authority.

The Chairman, Mr Frank Benjamin, is an Executive Director. Besides giving guidance on the corporate direction of the Group, his role includes the scheduling and chairing of Board meetings and the controlling of the quality, quantity and timeliness of information supplied to the Board and assists in ensuring compliance with the Company's corporate governance guidelines.

The CEO, Mr Eli Manasseh (Nash) Benjamin, brother of Mr Frank Benjamin, is also an Executive Director. He supervises the day-to-day business operations with the support of the Executive Directors and Management, as well as formulating long-term corporate strategies and policies of the Group.

Access to Information – Principle 6

The Board members are provided with board papers a few days in advance of meetings so that sufficient time is given to the Board members. The board papers set out the relevant financial information that review the Group's performance in the most recent quarter and other information which includes background or explanatory information relating to the matters to be brought before the Board. The Directors make enquiries and request for additional information, if needed, during the presentations.

The Board also has access to minutes and documents concerning all Board and Board Committee meetings. In addition, the Board members also have access to all minutes of Executive Committee meetings.

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.

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NOMINATING COMMITTEE (NC)

The NC is chaired by Mr Joseph Grimberg and its members are Mr Reggie Thein and Mr Frank Benjamin. With the exception of Mr Frank Benjamin, the other two are Independent Directors.

Board Membership – Principle 4

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. Under its written terms of reference approved by the Board, the NC 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;
- (c) to develop the criteria for the selection of Directors and identify candidates for approval by the Board, to fill Board vacancies as and when they arise as well as put in place plans for succession;
- (d) to determine independence of each Director; and
- (e) 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.

To address the time commitments of Directors who sit on multiple boards, the Board and Board Committees meeting dates are scheduled in advance at the beginning of each calendar year.

The profile and information of the Directors as at the date of this report are set out on pages 14 to 17 of the Annual Report.

Board Performance – Principle 5

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

The NC 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.

REMUNERATION COMMITTEE (RC)

Procedures for Developing Remuneration Policies – Principle 7 Level and Mix of Remuneration – Principle 8

The RC is chaired by Mr Reggie Thein and its members are Mr Joseph Grimberg and Mr Keith Tay. All of them are Independent Directors.

Under its written terms of reference approved by the Board, the RC 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;

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- (b) to co-ordinate annual reviews of the Company's remuneration policies and practice to ensure they are comparable with the pay and employment conditions within the industry and in similar companies;
- (c) to recommend the remuneration of Executive Directors and key executives to the Board for endorsement in accordance with the approved remuneration policies and processes;
- (d) to provide advice as necessary to Management on remuneration policy for employee categories other than those covered in paragraph (c) above;
- (e) to review the remuneration, terms of employment and promotion of all employees of the Group who are related to any of the Directors; and
- (f) to recommend the Directors' fees of Non-executive Directors to the Board. Directors' fees are only paid to Non-executive Directors and are approved by Shareholders at the Annual General Meeting.

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

The RC 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 and are determined using appropriate and meaningful measures to assess the performance of the Executive Directors. In discharging its functions, the RC may obtain independent external legal and other professional advice as it deems necessary, at the expense of the Company.

The Board has considered that there was no circumstance that required the remuneration policy to be submitted to the Annual General Meeting for approval.

Disclosure of Remuneration – Principle 9

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

Directors	Directors' Fee	Basic Salary	Variable Performance Bonus	Benefit-in-Kind And Others	Total
<u>\$500,000 and above</u>					
Mr Frank Benjamin	–	79%	3%	18%	100%
Mr Eli Manasseh Benjamin	–	75%	3%	22%	100%
<u>\$250,000 to \$499,999</u>					
Mr Douglas Benjamin	–	86%	4%	10%	100%
Ms Karen Chong	–	88%	4%	8%	100%
<u>Below \$250,000</u>					
Mr Keith Tay	100%	–	–	–	100%
Mr Reggie Thein	100%	–	–	–	100%
Mr Joseph Grimberg	100%	–	–	–	100%
Ms Wong Ai Fong	100%	–	–	–	100%
Mr Chew Kwee San	100%	–	–	–	100%

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The top five key executives of the Group who are not Directors of the Company and whose remunerations falls within the following bands are as follows:

Range of Remuneration	No. of Executives
Above \$500,000	1
\$250,000 to \$499,999	3
Below \$250,000	1

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 employees who are immediate family members of the Directors.

Relationship	Basic Salary	Variable Performance Bonus	Total
\$250,000 to \$499,999			
Relating to the Chairman	96%	4%	100%
Relating to the Chairman	96%	4%	100%
Below \$250,000			
Relating to the Chairman	97%	3%	100%
Relating to an Executive Director	96%	4%	100%

AUDIT COMMITTEE (AC)

Accountability and Audit – Principles 10 and 11

The Board is accountable to the Shareholders while the Management is accountable to the Board. The Board approves the quarterly 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 SGXNET announcements.

The AC is chaired by Mr Reggie Thein and its members are Ms Wong Ai Fong and Mr Chew Kwee San (appointed on 1 September 2009). Mr Joseph Grimberg relinquished his role as member of the AC on 1 September 2009. All of them are Independent Directors.

The Board ensures that the members of the AC are appropriately qualified to discharge their responsibilities, with two of the members, including the Chairman, having accounting or related financial management expertise and experience.

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

- to review the financial and other information to be presented to Shareholders, the system of internal control and risk management, and the audit process;
- 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;
- 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;

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- (d) to review the audit plan and audit report with the External Auditor;
- (e) to review the scope of the internal audit plan with the Internal Auditor and approve it;
- (f) to review the quarterly and annual financial statements, including announcements to Shareholders and the Singapore Exchange Securities Trading Limited ("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 Auditor and to make recommendations to the Board regarding the nomination of the External Auditor for appointment or re-appointment.

The AC has explicit authority to investigate any matter within its terms of reference. The Committee has full access to, and the co-operation of the Management, as well as the 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 AC meets with the External Auditor and the Internal Auditor at least four times a year and without the presence of the Management at least once a year.

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

Internal Controls – Principle 12

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 Directors regularly review the effectiveness of all internal controls, including operational controls.

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.

Risk Management

The Board, through its Executive and Audit Committees, manages the risk profile of the Group. In line with this, it has developed a risk management framework that highlights the risk areas of the Group's various businesses and reviews this on a regular basis.

Business Risk

The Group is primarily engaged in retailing, licensing and wholesale distribution of middle to high-end fashion apparel and accessories, timepieces and home furnishings. Its revenues are therefore affected by consumer sentiment and purchasing power, changing fashion and lifestyle trends and competition from other/new brands. In light of this, SWOT analysis is used to regularly review the ongoing viability of its brands and how market share may be maintained/maximised.

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Financial Risk

The Group is committed to a low gearing ratio and maintains sufficient cash reserves to meet any unforeseen circumstances.

Most of the Group's overseas purchases are denominated in Swiss Franc, US Dollar and the Euro. In order to minimise the Group's exposure to foreign currency fluctuations, it enters into foreign currency contracts based on purchase commitments for periods ranging from three to six months forward.

Internal Audit – Principle 13

The Company has an internal audit function that is independent of the activities it audits. The Internal Auditor reports directly to the Chairman of the AC on audit matters, and the CEO on administrative matters. His responsibilities include the review of the effectiveness of the Group's material internal controls, including financial, operational and compliance controls and risk management.

The AC is satisfied that the internal audit function has adequate resources and has appropriate standing within the Group and meets the standards set by the Institute of Internal Auditors.

EXECUTIVE COMMITTEE (EC)

The EC comprising of five Board members, namely Mr Frank Benjamin, Mr Keith Tay, Mr Eli Manasseh Benjamin, Mr Douglas Benjamin and Ms Karen Chong, meets regularly with senior management of the Group to review operations, investment opportunities and strategic planning.

SHAREHOLDERS

Communication With Shareholders – Principle 14

The Company endeavours to provide material information to its Shareholders in a timely and adequate manner. When inadvertent disclosure has been made to a selected group of people, the Company will make the same disclosure publicly as soon as practicable. 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.

Encourage Greater Shareholders' Participation – Principle 15

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 provides that a proxy need not be a member of the Company. Separate resolutions are proposed as individual agenda items. Members of the Board and various Board committees together with the External Auditor are present and available to address questions at General Meetings.

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ADDITIONAL INFORMATION

Dealing in 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 commencing two weeks before the announcement of the Company's financial results for each of the first three quarters of its financial year or one month before the announcement of the Company's full year results and ending on the date of the announcement of the results, in accordance with the guidelines set out in the Best Practices Guide. Officers are also prohibited to deal in securities of the Company on short-term consideration.

Material Contracts

No material contracts of the Company and its subsidiaries involving the interest of the CEO or any Director or controlling Shareholder subsisted at the end of the financial year or had been entered into since the end of the previous financial year.

Interested Person Transactions

Transactions with the Company's interested persons (a term that is defined in the listing manual of the SGX-ST) are subjected to review and approval by the Board comprising those Directors who do not have an interest in the transaction. Where required by the relevant listing rules of the SGX-ST, the AC reviews the transaction to determine that it is on normal commercial terms and hence, not prejudicial to the interest of the Company and Shareholders, before making recommendations to the Board for endorsement. For the financial year ended 30 June 2009, there were no material interested person transactions entered into.

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ANNUAL FINANCIAL STATEMENTS

F J Benjamin Holdings Ltd

and its subsidiaries

Co. Reg. No. 197301125N

30 June 2009

DIRECTORS' REPORT

The Directors are pleased to present their report to the members together with the audited consolidated financial statements of F J Benjamin Holdings Ltd (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 30 June 2009.

DIRECTORS

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

Mr Frank Benjamin	-	Executive Chairman
Mr Keith Tay Ah Kee	-	Non-executive Deputy Chairman
Mr Eli Manasseh Benjamin	-	Chief Executive Officer
Mr Douglas Jackie Benjamin	-	Executive Director
Ms Karen Chong Mee Keng	-	Executive Director
Mr Joseph Grimberg	-	Independent Director
Mr Reggie Thein	-	Independent Director
Ms Wong Ai Fong	-	Independent Director
Mr Chew Kwee San	-	Independent Director (appointed on 3 November 2008, resigned as alternate director to Ms Chew Gek Khim)
Mr Timothy Chia Chee Ming	-	Independent Director (resigned on 30 October 2008)
Ms Chew Gek Khim	-	Independent Director (resigned on 3 November 2008)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

Name of director	Holdings registered in the name of Director or nominee			Holdings in which a Director is deemed to have an interest		
	At 1.7.2008	At 30.6.2009	At 21.7.2009	At 1.7.2008	At 30.6.2009	At 21.7.2009
<u>Ordinary shares</u>						
Mr Frank Benjamin	31,191,000	37,191,000	37,191,000	-	-	-
Mr Keith Tay Ah Kee	256,000	256,000	256,000	-	-	-
Mr Eli Manasseh Benjamin	23,487,050	23,487,050	23,487,050	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	500,000	500,000	500,000	-	-	-
Ms Wong Ai Fong	35,000	35,000	35,000	-	-	-

Except as disclosed in this report, no Director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

DIRECTORS' REPORT

DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

OPTIONS

There were no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries during the financial year.

AUDIT COMMITTEE

The members of the Audit Committee ("AC") at the date of this report are:

Mr Reggie Thein (Chairman)
 Ms Wong Ai Fong
 Mr Chew Kwee San (appointed on 1 September 2009)

The AC carried out its functions in accordance with section 201B(5) of the Act, the Listing Manual of the Singapore Exchange Securities Trading Limited and the Code of Corporate Governance as detailed in the Corporate Governance Report of the Annual Report.

The AC having reviewed all non-audit services provided by the external auditors to the Group is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the auditor. The AC has also conducted a review of interested person transactions.

The AC convened four meetings during the financial year. The AC has also met with the internal and external auditors, without the presence of the Company's management, at least once a year.

AUDITORS

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

On behalf of the Board of Directors



Eli Manasseh Benjamin
 Director



Karen Chong Mee Keng
 Director

Singapore
 28 September 2009

STATEMENT BY DIRECTORS

We, Eli Manasseh Benjamin and Karen Chong Mee Keng, being two of the Directors of F J Benjamin Holdings Ltd, (the "Company"), do hereby state that, in the opinion of the Directors:-

- (i) the accompanying balance sheets, consolidated income statement, statements of changes in equity, and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company and its subsidiaries (collectively, the "Group") as at 30 June 2009 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the 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 of Directors



Eli Manasseh Benjamin
Director



Karen Chong Mee Keng
Director

Singapore
28 September 2009

INDEPENDENT AUDITORS' REPORT

to the Members of F J Benjamin Holdings Ltd

We have audited the accompanying financial statements of F J Benjamin Holdings Ltd (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 58 to 107, which comprise the balance sheets of the Group and the Company as at 30 June 2009, the statements of changes in equity of the Group and the Company and the income statement and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2009 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and
- (ii) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and Certified Public Accountants

Singapore
28 September 2009

CONSOLIDATED INCOME STATEMENT

for the financial year ended 30 June 2009

(In Singapore Dollars)

		Group	
	Note	2009	2008
		\$'000	\$'000
Revenue	5	299,896	342,387
Other income	6	4,075	5,676
Bank interest income		141	1,219
		<u>304,112</u>	<u>349,282</u>
Costs and expenses			
Cost of goods sold		(181,277)	(203,240)
Staff costs	7	(36,622)	(41,155)
Rental of premises		(41,996)	(38,190)
Advertising and promotion		(7,188)	(12,600)
Depreciation of property, furniture, fixtures and equipment	13	(8,533)	(8,280)
Depreciation of investment properties	14	(194)	(421)
Other operating expenses	8	(22,645)	(28,496)
Total costs and expenses		<u>(298,455)</u>	<u>(332,382)</u>
Operating profit		5,657	16,900
Interest expense	10	(1,970)	(1,716)
		3,687	15,184
Exceptional items, net	9	(3,061)	105
Foreign exchange (loss) / gain		(3,665)	274
Share of results of associates, net of tax		970	2,785
(Loss) / profit before taxation from continuing operations		<u>(2,069)</u>	<u>18,348</u>
Taxation	11	(592)	(3,544)
Net (loss) / profit for the financial year attributable to equity holders of the Company		<u>(2,661)</u>	<u>14,804</u>
(Loss) / earnings per share attributable to equity holders of the Company	12		
Basic (cents)		(0.47)	2.61
Diluted (cents)		<u>(0.47)</u>	<u>2.61</u>

The accompanying policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

as at 30 June 2009

(In Singapore Dollars)

	Note	Group		Company	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Non-current assets					
Property, furniture, fixtures and equipment	13	26,143	31,358	2,528	3,252
Investment properties	14	19,133	18,945	5,883	6,830
Subsidiaries	15	–	–	106,051	110,045
Investment in joint ventures	16	–	–	–	–
Investment in associates	17	7,785	6,251	–	–
Other investments	18	59	264	59	264
Other receivables	19	963	1,979	–	–
Deferred tax assets	27	1,183	1,023	–	–
		<u>55,266</u>	<u>59,820</u>	<u>114,521</u>	<u>120,391</u>
Current assets					
Inventories	20	91,777	92,057	–	–
Trade debtors	21	48,534	64,859	–	–
Tax recoverable		2,401	1,132	–	–
Other debtors	22	21,083	24,215	57,482	46,051
Cash on hand and at banks		33,354	24,163	14,531	11,471
		<u>197,149</u>	<u>206,426</u>	<u>72,013</u>	<u>57,522</u>
Current liabilities					
Trade and other creditors	23	63,484	67,646	23,412	11,521
Finance lease creditors	24	114	90	81	34
Bank borrowings	25	52,850	52,412	–	–
Provision for taxation		853	2,780	43	82
		<u>117,301</u>	<u>122,928</u>	<u>23,536</u>	<u>11,637</u>
Net current assets		79,848	83,498	48,477	45,885
Non-current liabilities					
Finance lease creditors	24	335	585	315	444
Bank borrowings	25	206	971	–	–
Other liabilities	26	2,583	2,583	–	–
Deferred tax liabilities	27	40	40	–	–
		<u>3,164</u>	<u>4,179</u>	<u>315</u>	<u>444</u>
Net assets		<u>131,950</u>	<u>139,139</u>	<u>162,683</u>	<u>165,832</u>
Equity attributable to equity holders of the Company					
Share capital	28	165,447	165,447	165,447	165,447
Exchange translation reserve	29	(13,926)	(16,570)	–	–
(Accumulated losses) / Retained earnings		(19,695)	(9,862)	(2,764)	385
		<u>131,826</u>	<u>139,015</u>	<u>162,683</u>	<u>165,832</u>
Preference shares issued by a subsidiary	30	124	124	–	–
Total equity		<u>131,950</u>	<u>139,139</u>	<u>162,683</u>	<u>165,832</u>

The accompanying policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 June 2009

(In Singapore Dollars)

	Note	—Attributable to equity holders of the Company—				Preference shares issued by a subsidiary \$'000	Total equity \$'000
		Share capital \$'000	Warrant reserve \$'000	Exchange translation reserve \$'000	(Accumulated losses) \$'000		
Group							
At 1 July 2008		165,447	—	(16,570)	(9,862)	124	139,139
Net loss for the financial year		—	—	—	(2,661)	—	(2,661)
Exchange differences arising from consolidation recognised in equity		—	—	2,644	—	—	2,644
Total recognised income and expenses for the financial year		—	—	2,644	(2,661)	—	(17)
Dividends paid	40	—	—	—	(6,256)	—	(6,256)
Dilution of shares in an associated company	19	—	—	—	(916)	—	(916)
At 30 June 2009		165,447	—	(13,926)	(19,695)	124	131,950
At 1 July 2007		215,134	4,125	(10,548)	(10,221)	124	198,614
Net profit for the financial year		—	—	—	14,804	—	14,804
Exchange differences arising from consolidation recognised in equity		—	—	(6,022)	—	—	(6,022)
Total recognised income and expenses for the financial year		—	—	(6,022)	14,804	—	8,782
Dividends paid	40	—	—	—	(14,445)	—	(14,445)
Exercise of warrants	28	24,245	(4,125)	—	—	—	20,120
Capital distribution	28	(73,932)	—	—	—	—	(73,932)
At 30 June 2008		165,447	—	(16,570)	(9,862)	124	139,139

The accompanying policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 June 2009

(In Singapore Dollars)

	Note	Share capital	Warrant reserve	(Accumulated losses) / Retained earnings	Total equity
		\$'000	\$'000	\$'000	\$'000
Company					
At 1 July 2008		165,447	–	385	165,832
Net profit for the financial year and total recognised income and expenses for the financial year		–	–	3,107	3,107
Dividends paid	40	–	–	(6,256)	(6,256)
At 30 June 2009		165,447	–	(2,764)	162,683
At 1 July 2007		215,134	4,125	(1,023)	218,236
Net profit for the financial year and total recognised income and expenses for the financial year		–	–	15,853	15,853
Dividends paid	40	–	–	(14,445)	(14,445)
Exercise of warrants	28	24,245	(4,125)	–	20,120
Capital distribution	28	(73,932)	–	–	(73,932)
At 30 June 2008		165,447	–	385	165,832

The accompanying policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

for the financial year ended 30 June 2009

(In Singapore Dollars)

	Group	
	2009	2008
	\$'000	\$'000
Cash flow from operating activities:		
(Loss) / profit before taxation	(2,069)	18,348
Adjustments for:		
Depreciation of property, furniture, fixtures and equipment	8,533	8,280
Depreciation of investment properties	194	421
Share of results of associates, net of tax	(970)	(2,785)
Currency realignment	1,301	(721)
Loss on disposal of property, furniture, fixtures and equipment	668	217
Bank interest income	(141)	(1,219)
Interest expense	1,970	1,716
Write-back of impairment loss of investment in associates	-	(91)
Net impairment loss / (write-back of impairment loss) on investment properties	517	(1,092)
Net fair value loss on other investments	205	59
Miscellaneous credits written-back	-	(1,520)
Allowance for inventories and inventories written off	3,875	3,150
Allowance for foreseeable losses	1,654	670
Allowance for doubtful debts and bad debts written off	-	657
Operating profit before reinvestment in working capital	15,737	26,090
Decrease / (increase) in debtors	19,457	(12,454)
Increase in inventories	(3,595)	(20,223)
(Decrease) / increase in creditors	(5,886)	6,818
Cash flow from operations	25,713	231
Income tax paid	(3,932)	(5,545)
Net cash from / (used in) operating activities	21,781	(5,314)
Cash flow from investing activities:		
Purchase of furniture, fixtures and equipment	(3,420)	(16,526)
Proceeds from disposal of property, furniture, fixtures and equipment	185	173
Loans to associates	(500)	(275)
Interest received	141	1,219
Net cash used in investing activities	(3,594)	(15,409)

The accompanying policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

for the financial year ended 30 June 2009

(In Singapore Dollars)

	Group	
	2009	2008
	\$'000	\$'000
Cash flow from financing activities:		
Proceeds from issuance of ordinary shares	–	20,120
Distribution of capital	–	(73,932)
Repayment of bank borrowings	(8,517)	(635)
Proceeds from bank borrowings	4,261	9,262
Proceeds from finance lease	–	280
Repayment of obligations under finance lease	(226)	(175)
Interest paid	(1,970)	(1,716)
Dividends paid to shareholders	(6,256)	(14,445)
Net cash used in financing activities	(12,708)	(61,241)
Net increase / (decrease) in cash and cash equivalents	5,479	(81,964)
Cash and cash equivalents at beginning of financial year	9,561	91,570
Net effect of exchange rate changes on opening cash and cash equivalents	(217)	(45)
Cash and cash equivalents at end of financial year (Note 31)	14,823	9,561

The accompanying policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

1. Corporate information

F J Benjamin Holdings Ltd (the "Company") is a public limited company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office and the principal place of business of the Company is 10 Science Park Road, #04-01 The Alpha, Singapore Science Park II, Singapore 117684.

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

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

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements of the Company and of the Group are expressed in Singapore dollars ("SGD") and all values are rounded to the nearest thousand (\$'000) except when otherwise indicated.

The financial statements are prepared under the historical cost convention except as disclosed in the accounting policies below.

The accounting policies have been consistently applied and are consistent with those used in the previous financial year, except for the changes in accounting policies discussed below.

2.2 Changes in accounting policies

The Group and the Company have adopted the following new and revised FRS and Interpretations to FRS ("INT FRS") with effect from 1 July 2008:

FRS 39 and FRS 107	: Financial Instruments – Amendments relating to Reclassification of Financial Assets
INT FRS 112	: Service Concession Arrangements
INT FRS 113	: Customer Loyalty Programmes
INT FRS 114	: FRS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

INT FRS 113 *Customer Loyalty Programmes* requires loyalty award credits to be accounted for as a separate component of the sales transactions in which they are granted. The fair value of the consideration received is allocated to the loyalty awards credits and the amount is deferred until the awards are redeemed or no longer expected to be redeemed. The change in accounting policy has been applied with effect from 1 July 2008.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

2. Summary of significant accounting policies (continued)

2.2 Changes in accounting policies (continued)

The adoption of INT FRS 112 and INT FRS 114 have no material impact to the financial statements.

2.3 Further changes in accounting policies

The Group and the Company have not adopted the following FRS and INT FRS that have been issued but not yet effective:

	Effective date (annual period beginning on or after)
FRS 1	
: Presentation of Financial Statements	
– Revised Presentation	1 January 2009
– Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
FRS 23	1 January 2009
: Borrowing Costs	
FRS 27	1 January 2009
: Consolidated and Separate Financial Statements	
– Amendments relating to Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	
FRS 32	1 January 2009
: Financial Instruments: Recognition and Measurement	
– Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation	
FRS 39	
: Financial Instruments	
– Recognition and measurement – Embedded Derivatives	30 June 2009
– Amendments relating to eligible hedge items	1 July 2009
FRS 101	1 January 2009
: First-time Adoption of Financial Reporting Standards	
– Amendments relating to Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	
FRS 102	1 January 2009
: Share-based Payments	
– Amendments relating to Vesting Conditions and Cancellations	
FRS 107	1 January 2009
: Financial Instruments: Disclosures	
– Improving Disclosure about Financial Instruments	
FRS 108	1 January 2009
: Operating Segments	
INT FRS 109	30 June 2009
: Reassessment of Embedded Derivatives	
INT FRS 116	1 October 2008
: Hedges of a Net Investment in a Foreign Operation	
INT FRS 117	1 July 2009
: Distributions of Non-cash Assets to Owners	
INT FRS 118	1 July 2009
: Transfers of Assets from Customers	

The Directors expect that the adoption of the above pronouncements (where applicable) will have no material impact on the financial position or financial performance of the Group when implemented.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

2. Summary of significant accounting policies (continued)

2.3 Further changes in accounting policies (continued)

The revised FRS 1 Presentation of Financial Statements requires owner and non-owner changes in equity to be presented separately. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line item. In addition, the revised standard introduces the statement of comprehensive income: it presents all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group is currently evaluating the format to adopt.

FRS 108 Operating Segments requires entities to disclose segment information based on the information reviewed by the entity's chief operating decision maker. The Group determined that the reportable operating segments are the same as the business segments currently identified under FRS 14 Segment Reporting. Consequently, it will have no impact on the financial position or financial performance of the Group when implemented.

2.4 Functional and foreign currency

a) Functional currency

Items included in the financial statements of each company in the Group are measured using the currency of the primary economic environment in which the company operates i.e. functional currency. The consolidated financial statements are presented in SGD, which is the Company's functional currency.

b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the income statement except for exchange differences arising on monetary items that form part of the Group's net investment in foreign subsidiaries, which are recognised initially in a separate component of equity as exchange translation reserve in the consolidated balance sheet and recognised in the consolidated income statement on disposal of the subsidiary. In the Company's separate financial statements, such exchange differences are recognised in the income statement.

c) Foreign currency translation

The assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the balance sheet date and their income statements are translated at the weighted average exchange rates for the financial year. The exchange differences arising on the translation are taken directly to a separate component of equity as exchange translation reserve. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

2. Summary of significant accounting policies (continued)

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the balance sheet. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in the income statement on the date of acquisition.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. They are presented in the consolidated balance sheet within equity, separately from the parent shareholders' equity, and are separately disclosed in the consolidated income statement. Transactions with minority interests are accounted for using the entity concept method, whereby, transactions with minority interests are accounted for as transactions with equity holders. On acquisition of minority interests, the difference between the consideration and book value of the share of the net assets acquired is reflected as being a transaction between owners and recognised directly in equity. Gain or loss on disposal to minority interests is recognised directly in equity.

2.6 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. The Group generally has such power when it, directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors.

In the Company's separate financial statements, investment in subsidiaries is accounted for at cost less any impairment losses. This requires an estimation of the recoverability of the carrying cost using a cash flow projection based on financial budgets approved by management. The discount rate applied to the cash flow projections was 6.7% (2008: 7.4% to 8.4%) and cash flow beyond the 5-year period is extrapolated using growth rate of 1.0% (2008: 1.0%) that does not exceed the long-term average growth rate for the industry.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

2. Summary of significant accounting policies (continued)

2.7 Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The Group recognises its interest in joint ventures using proportionate consolidation. The Group combines its share of each of the assets, liabilities, income and expenses of the joint ventures with the similar items, line by line, in its consolidated financial statements. The joint ventures are proportionately consolidated from the date the Group obtains joint control until the date the Group ceases to have joint control over the joint venture.

The financial statements of the joint venture are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies into line with those of the Group.

In the Company's separate financial statements, interest in joint ventures is accounted for at cost less impairment losses.

2.8 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. This generally coincides with the Group having 20% or more of the voting power, or has representation on the board of directors.

The Group's investment in associates are accounted for using the equity method. Under the equity method, the investment in associates are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The Group's share of the profit or loss of the associates is recognised in the consolidated income statement. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

In the event of a dilution of interest in an associate, the difference between the change in the share of the associate's net assets is taken to equity.

Goodwill relating to an associate is included in the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available audited financial statements, if not available, the unaudited management financial statements of the associates, are used by the Group in applying the equity method. Consistent accounting policies are applied for like transactions and events in similar circumstances.

In the Company's separate financial statements, investment in associates is accounted for at cost less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

2. Summary of significant accounting policies (continued)

2.9 Property, furniture, fixtures and equipment

All items of property, furniture, fixtures and equipment are initially recorded at cost. The cost of an item of property, furniture, fixtures and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, furniture, fixtures and equipment are stated at cost less accumulated depreciation and impairment loss.

The cost of an asset comprises its purchase price, any directly attributable costs of bringing the asset to working condition for its intended use and costs of its dismantlement, removal or restoration, the obligation for which an entity incurs as a consequence of installing the item.

Depreciation begins when it is available for use and is calculated on the straight-line method over the estimated useful life of the asset as follows:

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

The carrying values of property, furniture, fixtures and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, furniture, fixtures and equipment.

An item of property, furniture, fixtures and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement in the financial year the asset is derecognised.

2.10 Investment properties

Investment properties are initially recorded at cost. Subsequent to recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation begins when it is available for use and is calculated on the straight-line method over the lease term of the building.

Investment property is depreciated over its leasehold period of 50 years.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer between investment property to owner occupied property, there is no change in the carrying amount of the property transferred and there is also no change to the cost of the property for measurement.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

2. Summary of significant accounting policies (continued)

2.11 Financial assets

Financial assets are recognised on the balance sheet when and only when the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in the income statement.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

a) Financial assets at fair value through profit or loss

Derivative financial instruments whose fair value is positive are classified as financial assets at fair value through profit or loss. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value at each balance sheet date. Any gains or losses arising from changes in fair value on derivative financial instruments are taken to the income statement.

b) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the assets to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the investments are derecognised or impaired, and through the amortisation process.

c) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, such assets are carried at amortised cost using the effective interest rate method, less impairment losses. Gains and losses are recognised in income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

d) Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial recognition, available-for-sale financial assets are measured at fair value with gains or losses being recognised in the fair value adjustment reserve until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

2. Summary of significant accounting policies (continued)

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.13 Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

a) Assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the income statement.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the income statement.

b) Assets carried at cost

If there is objective evidence that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

c) Available-for-sale financial assets

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is transferred from equity to the income statement. Reversals of impairment loss in respect of equity instruments are not recognised in the income statement. Reversals of impairment losses on debt instruments are reversed through the income statement, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

2. Summary of significant accounting policies (continued)

2.14 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in the income statement except for assets that are previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss be recognised previously. Such reversal is recognised in the income statement unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.15 Inventories

Inventories 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 the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.16 Financial liabilities

Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are initially recognised at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs. Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value.

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in the income statement when the liabilities are derecognised or impaired, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in the income statement. Net gains or losses on derivatives include exchange differences.

2.17 Borrowing costs

Borrowing costs are recognised as interest expense in the financial year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

2. Summary of significant accounting policies (continued)

2.18 Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantees are initially recognised at fair values. Subsequent to initial recognition, financial guarantees are recognised as income in the income statement over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to the income statement.

2.19 Provisions

Provisions are recognised when the Group has a present obligation where 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.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.20 Employee benefits

a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to balance sheet date.

2.21 Leases

a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

2. Summary of significant accounting policies (continued)

2.21 Leases (continued)

a) As lessee (continued)

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income (Note 2.22).

2.22 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

a) Sale of goods

Revenue is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of the goods sold. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

b) Interest income

Interest income is recognised using the effective interest method.

c) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

d) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

e) Market support and administrative service income

Market support and administrative service income is recognised upon rendering of services.

2.23 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Government grant shall be recognised in the income statement on a systematic basis over the periods which the entity recognised as expenses the related costs for which the grants relate. Grants related to income are presented as "Other income".

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

2. Summary of significant accounting policies (continued)

2.24 Income taxes

a) Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

b) Deferred tax

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 assets and liabilities are measured using the tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences associated with its investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unabsorbed capital allowances and unutilised 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 credits and unused tax losses can be utilised.

The carrying amount of deferred income 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 income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

c) Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.25 Related parties

Related parties in the 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 company transactions are carried out based on terms agreed upon between the parties.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

2. Summary of significant accounting policies (continued)

2.26 Segment reporting

The Group's businesses are generally segmented by its channel of distribution and geographical location. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise bank borrowings, finance lease, taxation, corporate assets and corporate expenses. The turnover by geographical segments are based on the location of the customers regardless of where the goods are produced. The assets and capital expenditure are based on the location of those assets.

Segment accounting policies are the same as the policies of the Group. Intersegment transactions are carried out based on terms agreed upon between the management of the respective segment.

2.27 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements.

(i) Income tax

The Group has exposure to income taxes in several jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amounts of the income tax items in the financial statements are:

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Deferred tax assets	1,183	1,023	–	–
Tax recoverable	2,401	1,132	–	–
Provision for taxation	853	2,780	43	82
Deferred tax liabilities	40	40	–	–

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

3. Significant accounting judgements and estimates (continued)

3.1 Judgements made in applying accounting policies (continued)

(ii) Operating lease commitments - As lessor

The Group has entered into commercial property leases on its freehold and leasehold properties. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Investment properties, property, furniture, fixtures and equipment

The cost of leasehold improvements is depreciated over the lease terms of the tenanted area or 5 years, whichever is lower. The other furniture, fixtures and equipment is depreciated over the common life expectancies.

The Group assesses whether there are indicators of impairment for investment properties, property, furniture, fixtures and equipment at each reporting date. These assets are tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the assets. Estimating the value in use requires the Group to make an estimate of the future cash flow from assets and also to determine appropriate discount rates to calculate the present value of this cash flow. The growth rate used of 1.0% (2008: 1.0%) in the estimation does not exceed the long-term average growth rate for the industry. The discount rate applied to the cash flow projections was 6.40% (2008: 7.00% to 7.19%).

The carrying amounts of the Group's and Company's investment properties, property, furniture, fixtures and equipment at 30 June 2009 were \$45,276,000 (2008: \$50,303,000) and \$8,411,000 (2008: \$10,082,000) respectively.

(ii) Inventories

Inventories are stated at the lower of cost and net realisable value. The net realisable value is estimated based on the estimated average realisable value of each type of inventories. The carrying amount of the Group's inventories at 30 June 2009 was \$91,777,000 (2008: \$92,057,000).

(iii) Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings granted to its subsidiaries and associates with a total facilities of \$135,317,000 (2008: \$135,743,000). The fair value of these corporate guarantees is estimated based on the actual rates charged by the banks while these guarantees are made available, compared to the estimated rates that the banks would have charged had these guarantees not been available. The fair value of these corporate guarantees has no material financial impact to the results and accumulated losses of the Company for the financial year ended 30 June 2009 and 30 June 2008.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

4. Group companies

The subsidiaries as at 30 June are:-

	Name of company [country of incorporation]	Principal activities	Cost		Percentage of equity interest	
			2009 \$'000	2008 \$'000	2009 %	2008 %
<i>Held by the Company</i>						
~	Benmark (Pte) Ltd [Singapore]	Inactive	3,000	3,000	100	100
~	F. J. B. Investment Pte Ltd [Singapore]	Investment holding company	^	^	100	100
~	F J Benjamin Concepts Pte Ltd [Singapore]	Investment holding company	60	60	100	100
~	F J Benjamin (Indochina) Pte Ltd [Singapore]	Inactive	50	50	100	100
~	Manchester United (S.E.A.) Pte Ltd [Singapore]	Inactive	3,000	3,000	100	100
#	F J Benjamin (M) Sdn. Bhd. [Malaysia] (Note a)	Importers, distributors and retailers of consumer fashion wear, accessories and timepieces	8,516	3,964	100	100
#	F J Benjamin (H.K.) Limited [Hong Kong]	Importers, exporters, distributors and retailers 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]	Investment holding company	19	19	100	100
#	F J Benjamin (Taiwan) Ltd [Taiwan]	Importers, distributors and retailers of timepieces	3,909	3,909	100	100
+	FJ Benjamin (Aust) Pty Ltd [Australia]	Importers and distributors of consumer fashion wear and accessories	21,434	21,434	100	100
@*	F J Benjamin Concepts (Thailand) Ltd [Thailand]	Importers and retailers of consumer fashion wear and accessories	119	119	49	49
+	F. J. Benjamin Fashions (U.S.) Inc. [United States]	Distributors and retailers of consumer fashion wear and accessories	289	289	100	100
			100,127	95,575		

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

4. Group companies (continued)

	Name of company [country of incorporation]	Principal activities	Percentage of equity interest	
			2009	2008
			%	%
<i>Held through subsidiaries</i>				
~	B.M.I. (Pte.) Ltd. [Singapore]	Inactive	100	100
~	F J Benjamin Lifestyle Pte. Ltd. [Singapore]	Importers, exporters, distributors and retailers of consumer fashion wear, accessories and home furnishings	100	100
~	F J Benjamin (Singapore) Pte Ltd [Singapore]	Importers, exporters, licensees, distributors and retailers of consumer fashion wear, accessories and timepieces	100	100
#	F J Benjamin Lifestyle Sdn. Bhd. [Malaysia]	Importers, exporters, distributors and retailers of consumer fashion wear and accessories	100	100
#	F J Benjamin Luxury Timepieces Sdn. Bhd. [Malaysia]	Importers, distributors and retailers of timepieces	100	100
+	PT Meteor Prima Sejati [Indonesia]	Importers, exporters and distributors of consumer fashion wear and accessories	100	100
(a)	During the financial year, the Company fully subscribed for the increased share capital in F J Benjamin (M) Sdn. Bhd.			
~	Audited by Ernst & Young, Singapore.			
#	Audited by member firms of Ernst & Young Global in the respective countries.			
+	Not required to be audited by the laws of its country of incorporation. These foreign subsidiaries are not considered significant as defined under Clause 718 of the Listing Manual of the Singapore Exchange Securities Trading Limited.			
*	Considered a subsidiary with the Group holding 79% of voting rights (Note 30).			
^	Cost of investment is two Singapore dollars.			
@	Audited by P.A.S. and Associate, Thailand.			

5. Revenue

Revenue of the Group represents the invoiced value of products supplied to external customers.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

6. Other income

	Group	
	2009	2008
	\$'000	\$'000
Market support and administrative service income	3,009	3,520
Rental income	845	780
Government grants	786	–
Loss on disposal of furniture, fixtures and equipment	(668)	(217)
Miscellaneous credits written-back	112	1,520
Gain on disposal of quoted investment	–	74
Others	(9)	(1)
	4,075	5,676

7. Staff costs

	Group	
	2009	2008
	\$'000	\$'000
Salaries and bonuses	33,572	37,518
Provident fund contributions	3,050	3,637
	36,622	41,155

8. Other operating expenses

	Group	
	2009	2008
	\$'000	\$'000
The following items have been included in arriving at other operating expenses:		
Non-audit fees paid to		
- Auditors of the Company	85	143
- Other auditors	23	36
Rental of equipment	420	452
Outlet related expenses	4,977	7,421
Transportation and accommodation expenses	1,592	2,488
Utilities	1,766	1,601
	1,766	1,601

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

9. Exceptional items, net

	Group	
	2009	2008
	\$'000	\$'000
Net (allowance) / write-back of impairment loss on investment properties	(517)	1,092
Allowance for foreseeable losses liable to an associate in respect of minimum royalty payment	(254)	(670)
Allowance for inventory obsolescence – discontinued operations	(890)	–
Allowance for foreseeable losses – closure costs	(1,400)	–
Write-back of impairment loss on investment in associates	–	91
Allowance for debts due from an associate	–	(546)
Write-back of store closure cost	–	138
	(3,061)	105

10. Interest expense

	Group	
	2009	2008
	\$'000	\$'000
Interest expense on:		
- Bank borrowings	1,906	1,674
- Finance lease	64	42
	1,970	1,716

11. Taxation

	Group	
	2009	2008
	\$'000	\$'000
The major components of income tax expense for financial year ended 30 June were:		
Current tax	1,188	3,866
Over provision in respect of prior years	(474)	(212)
Deferred tax:-		
Movements in temporary differences	(136)	(47)
Benefits from previously unrecognised tax losses	–	(63)
Effect in reduction of tax rate	14	–
Tax expense for the year	592	3,544

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

11. Taxation (continued)

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 30 June 2009 and 2008 is as follows:

	Group	
	2009	2008
	\$'000	\$'000
(Loss) / profit before share of results of associates and before taxation	(3,039)	15,563
Tax at the domestic rates applicable to profits in the countries where the Group operates	(1,200)	2,815
Income not subjected to tax	(716)	(1,016)
Expenses not deductible for tax purposes	3,313	1,920
Utilisation of tax losses and capital allowances brought forward	(1,608)	(1,782)
Deferred tax assets not recognised	1,315	1,977
Benefits from previously unrecognised tax losses	–	(63)
Over provision in respect of prior years	(474)	(212)
Tax exemption	(52)	(56)
Others	14	(39)
Income tax expense recognised in the income statement	592	3,544

The corporate income tax rate applicable to Singapore companies of the Group was reduced to 17% for the year of assessment 2010 onwards from 18% for year of assessment 2009. The corporate income tax rate applicable to Malaysia companies of the Group was reduced from 26% to 25% for the year of assessment 2008 and the year of assessment 2009 onwards respectively.

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

As at 30 June 2009, certain subsidiaries had unutilised tax losses and unabsorbed capital allowances of approximately \$36.9 million (2008: \$35.9 million) and \$0.6 million (2008: nil) respectively, available for offset against future taxable profits of the companies in which the losses and allowances arose, for which no deferred tax assets are recognised due to uncertainty of their recoverability. The use of unutilised tax losses and unabsorbed capital allowances are subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

12. (Loss) / earnings per share

The basic (loss) / earnings per share amounts are calculated by dividing the (loss) / profit for the financial year that is attributable to ordinary equity holders of the Company by the number of ordinary shares outstanding during the financial year.

Diluted (loss) / earnings per share amounts are calculated by dividing (loss) / profit for the financial year that is attributable to ordinary equity holders of the Company by the number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

12. (Loss) / earnings per share (continued)

The following table reflects the income statement and share data used in the computation for basic and diluted (loss) / earnings per share for the financial years ended 30 June:

	Group	
	2009	2008
	\$'000	\$'000
Net (loss) / profit for the financial year attributable to ordinary equity holders of the Company used in the computations of basic and diluted (loss) / earnings per share	(2,661)	14,804
	'000	'000
Number of ordinary shares / weighted average number of ordinary shares for basic and diluted earnings per share computation	568,710	567,637

13. Property, furniture, fixtures and equipment

Group	Furniture and Fittings	Electrical Installation and Office Equipment	Motor Vehicles	Data Processing Equipment	Leasehold Improvements	Leasehold Building	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost or Valuation							
At 1 July 2007	1,797	2,244	1,799	8,143	22,858	14,751	51,592
Currency realignment	(32)	(104)	(27)	(135)	(1,022)	(1,651)	(2,971)
Additions	378	1,378	408	688	13,674	–	16,526
Disposals	(255)	(55)	(87)	(144)	(1,167)	–	(1,708)
At 30 June 2008 and 1 July 2008	1,888	3,463	2,093	8,552	34,343	13,100	63,439
Currency realignment	(111)	(3)	(5)	(145)	(14)	975	697
Additions	117	275	10	106	2,912	–	3,420
Disposals	(299)	(90)	(86)	(90)	(4,008)	–	(4,573)
At 30 June 2009	1,595	3,645	2,012	8,423	33,233	14,075	62,983

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

13. Property, furniture, fixtures and equipment (continued)

<i>Group</i>	Furniture and Fittings \$'000	Electrical Installation and Office Equipment \$'000	Motor Vehicles \$'000	Data Processing Equipment \$'000	Leasehold Improvements \$'000	Leasehold Building \$'000	Total \$'000
Accumulated depreciation and impairment loss							
At 1 July 2007	1,463	1,573	1,077	7,307	11,905	2,772	26,097
Currency realignment	(17)	(43)	(22)	(99)	(483)	(314)	(978)
Charge for the financial year	74	265	335	497	6,844	265	8,280
Disposals	(228)	(32)	(26)	(150)	(882)	–	(1,318)
At 30 June 2008 and 1 July 2008	1,292	1,763	1,364	7,555	17,384	2,723	32,081
Currency realignment	2	(8)	(5)	(154)	(86)	197	(54)
Charge for the financial year	94	371	323	485	6,975	285	8,533
Disposals	(273)	(86)	(82)	(78)	(3,201)	–	(3,720)
At 30 June 2009	1,115	2,040	1,600	7,808	21,072	3,205	36,840
Net book value							
At 30 June 2009	480	1,605	412	615	12,161	10,870	26,143
At 30 June 2008	596	1,700	729	997	16,959	10,377	31,358

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

13. Property, furniture, fixtures and equipment (continued)

<i>Company</i>	Furniture and Fittings \$'000	Electrical Installation and Office Equipment \$'000	Motor Vehicles \$'000	Data Processing Equipment \$'000	Leasehold Improvements \$'000	Total \$'000
Cost or Valuation						
At 1 July 2007	191	472	706	567	21	1,957
Additions	39	416	408	40	2,401	3,304
Disposals	(189)	–	(258)	–	(30)	(477)
At 30 Jun 2008 and 1 July 2008	41	888	856	607	2,392	4,784
Additions	97	143	–	–	–	240
Reversals	–	–	–	(35)	(268)	(303)
At 30 June 2009	138	1,031	856	572	2,124	4,721
Accumulated depreciation and impairment loss						
At 1 July 2007	189	471	273	553	21	1,507
Charge for the financial year	3	29	174	23	181	410
Disposals	(189)	–	(172)	–	(24)	(385)
At 30 June 2008 and 1 July 2008	3	500	275	576	178	1,532
Charge for the financial year	13	89	182	–	382	666
Reversals	–	–	–	(5)	–	(5)
At 30 June 2009	16	589	457	571	560	2,193
Net book value						
At 30 June 2009	122	442	399	1	1,564	2,528
At 30 June 2008	38	388	581	31	2,214	3,252

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

13. Property, furniture, fixtures and equipment (continued)

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Net book value includes furniture, fixtures and equipment under finance leases: -				
Motor vehicles	401	275	401	275
Data processing equipment	5	23	-	-
Electrical installation and office equipment	-	11	-	-
	406	309	401	275

14. Investment properties

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Balance sheet:				
Cost				
At 1 July	27,812	30,123	9,484	9,484
Currency realignment	1,365	(2,311)	-	-
At 30 June	29,177	27,812	9,484	9,484
Accumulated depreciation and impairment loss				
At 1 July	8,867	10,293	2,654	4,095
Currency realignment	466	(755)	-	-
Charge for the financial year	194	421	194	198
Impairment loss / (reversal of impairment loss)	517	(1,092)	753	(1,639)
At 30 June	10,044	8,867	3,601	2,654
Net book value	19,133	18,945	5,883	6,830

The impairment loss adjustments on the investment properties were due to the changes in their open market values and expected future cash flow.

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Income statement				
Rental income from investment properties	845	780	242	213
Direct operating expenses	194	220	70	70

Valuation was carried out by accredited independent valuers on an open market, existing use basis, the value of the investment properties of the Group and Company are \$18,750,000 and \$5,500,000 (2008: \$17,956,000 and \$5,842,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

15. Subsidiaries

	Company	
	2009 \$'000	2008 \$'000
Investment in subsidiaries:		
Unquoted shares, at cost	100,127	95,575
Impairment losses	(29,854)	(29,854)
	70,273	65,721
Receivables from subsidiaries:		
Loans receivable, unsecured	20,532	20,103
Other receivables	63,102	65,906
Accrual for financial undertakings	(3,833)	(2,607)
	79,801	83,402
Allowance for doubtful debts	(44,023)	(39,078)
	35,778	44,324
	106,051	110,045

Details of the subsidiaries are set out at Note 4.

The loans receivable have no fixed terms of repayment and are not expected to be repaid within one year. The loans receivable bear interest at 4.0% (2008: 4.5%) per annum. The other receivables are non-trade related, unsecured, interest-free, with no fixed terms of repayment and repayable only when the cash flow of the subsidiaries permit.

Accrual for financial undertakings relates to the financial support given to certain subsidiaries.

The Company has undertaken not to recall the loans receivable and amounts receivable from certain subsidiaries amounting to \$3,391,000 (2008: \$3,271,000) and \$47,800,000 (2008: \$48,500,000) respectively, until such time the subsidiaries are in the position to repay the amounts without impairing their respective liquidity positions.

16. Investment in joint ventures

The joint venture entities held by the Group as at 30 June were:

	Name of entity [Country of incorporation]	Principal activities	Percentage of equity interest	
			2009 %	2008 %
+	F J Benjamin Concepts (Aust) Pty Ltd [Australia]	Manager of partnership	51	51
+	FJ Benjamin (Aust) Pty Ltd and Partners [Australia]	Importers, distributors and retailers of consumer fashion wear and accessories	51	51
+	Not required to be audited by the laws of its country of incorporation.			

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

16. Investment in joint ventures (continued)

The joint venture entities are jointly controlled and managed by the Group and the joint venture partners.

The Group's share of the assets, liabilities and results of the joint venture entities are as follows:

	2009	2008
	\$'000	\$'000
Furniture, fixtures and equipment	533	813
Current assets	714	1,147
Current liabilities	(2,001)	(1,826)
Net (liabilities) / assets	(754)	134
Revenue	2,041	2,045
Operating costs and expenses	(2,870)	(2,834)
Loss before taxation	(829)	(789)

17. Investment in associates

	Group	
	2009	2008
	\$'000	\$'000
Shares, at cost	153	5,153
Loan	4,000	4,000
Total investment	4,153	9,153
Impairment losses	(1,559)	(2,354)
Foreseeable loss	-	(670)
Share of post-acquisition reserves	6,004	829
Share of exchange translation reserve	(813)	(707)
	7,785	6,251
Fair value of investment in an associate for which there is published quotation	4,890	-

The loan is part of the capital contribution and is interest-free, has no fixed terms of repayment and is not expected to be repaid within one year.

The principal activities and related details of the Group's significant associates are as follows:

- (a) a 50% (2008: 50%) interest in a Singapore-incorporated company whose principal activities comprise the operating of cafes and entertainment outlets. It remains dormant during the financial year. The entity is audited by Ernst & Young, Singapore;
- (b) a 48% (2008: 48%) interest in a Singapore-incorporated company whose principal activities comprise investment holding. The entity is audited by Ernst & Young, Singapore;
- (c) a 22.36% (2008: 30.4%) interest in a Singapore-incorporated company whose principal activities comprise investment holding. The entity is audited by Ernst & Young, Singapore; and
- (d) a 50% (2008: 50%) interest in an Indonesia-incorporated company whose principal activities comprise the distribution of consumer fashion wear, accessories and timepieces and other sales related activities. The entity is audited by an associated firm of Moore Stephens International Limited.

The Group's interests in these associates are held through various subsidiaries. The operations of these associates are not managed by the Group.

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17. Investment in associates (continued)

On 8 April 2009, the Group disposed off its 50% interest in Manchester United Food & Beverage (Asia) Pte Ltd ("MUFB"), a Singapore-incorporated company whose principal activities comprise the operating of cafes.

The Group's share of results of MUFB from 1 July 2008 to 8 April 2009 was not taken up as the investment had been fully impaired.

The summarised aggregated financial information of the associates are as follows:

	2009	2008
	\$'000	\$'000
Assets and liabilities:		
Non-current assets	29,891	31,438
Current assets	67,368	67,419
Total assets	<u>97,259</u>	<u>98,857</u>
Current liabilities	51,522	73,855
Non-current liabilities	19,398	13,957
Total liabilities	<u>70,920</u>	<u>87,812</u>
Results:		
Revenue	131,111	122,306
(Loss) / profit for the year*	<u>(13,478)</u>	<u>5,182</u>

* 2009 included goodwill written off of \$14.25 million of an associate

18. Other investments

	Group		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
At cost: -				
Unquoted equity investments	2,246	2,246	2,760	2,760
Quoted equity investments	527	527	527	527
	<u>2,773</u>	<u>2,773</u>	<u>3,287</u>	<u>3,287</u>
Impairment losses	(2,714)	(2,509)	(3,228)	(3,023)
	<u>59</u>	<u>264</u>	<u>59</u>	<u>264</u>
Market value: -				
Quoted equity investments	59	264	59	264

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19. Other receivables

	Group	
	2009	2008
	\$'000	\$'000
Loan receivable from associate, unsecured	1,879	1,979
Dilution of shares in an associated company*	(916)	-
	963	1,979

The unsecured loan receivable from associate is interest-free, has no fixed terms of repayment and is not expected to be repaid within one year.

* The Group's interest in St. James Holdings Limited, an associated company, was reduced from 30.4% to 22.36% with the reverse takeover of St. James Pte Ltd and its subsidiary in August 2008.

20. Inventories

	Group	
	2009	2008
	\$'000	\$'000
Trading stocks: -		
On hand	80,251	78,353
On consignment	4,435	4,263
In transit	5,560	6,330
Work-in-progress	1,531	3,111
Total inventories at lower of cost and net realisable value	91,777	92,057
Allowance for inventories charged to the income statement	1,529	1,297
Inventories written down charged to the income statement	2,384	3,166

During the financial year, the Group reversed \$38,000 (2008: \$1,313,000) of inventories written down, due to a higher than expected realisation on disposal.

21. Trade debtors

	Group	
	2009	2008
	\$'000	\$'000
External trade debtors	15,517	24,030
Trade debts due from an associate	33,017	40,829
	48,534	64,859
(Write-back) / allowance for doubtful debts charged to the income statement	(84)	16
Bad debts written off to the income statement	25	2

Trade debtors are non-interest bearing and are generally on 30 to 60 day terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

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21. Trade debtors (continued)

The Group's trade debtors that are collectively impaired at the balance sheet date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	Collectively impaired	
	2009	2008
	\$'000	\$'000
Trade debtors - nominal amounts	49,639	66,101
Allowance for impairment	(1,105)	(1,242)
	48,534	64,859
Movement in allowance accounts		
At 1 July	1,242	1,248
(Write-back) / charge for the financial year	(84)	16
Written off	(39)	(4)
Exchange differences	(14)	(18)
At 30 June	1,105	1,242

Trade debtors that are individually determined to be impaired at the balance sheet date relate to debtors that are in financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements.

22. Other debtors

	Group		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Other receivables	2,922	4,747	18	10
Deposits	4,714	4,942	133	160
Prepayments	2,144	3,021	4	13
Advances	12	58	-	14
Due from subsidiaries	-	-	57,301	45,827
Due from joint venture	1,670	1,432	-	-
Due from associates	9,621	10,015	26	27
	21,083	24,215	57,482	46,051

Other receivables and amounts due from joint venture and associates are non-interest bearing, unsecured and are generally on 60 to 90 day terms.

The amounts due from subsidiaries are non-trade related, unsecured, interest-free and are repayable on demand.

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30 June 2009

22. Other debtors (continued)

The Group's other receivables that are impaired at the balance sheet date and the movement of the allowance accounts used to record the impairment are as follows:

	Group			
	Collectively impaired 2009 \$'000	2008 \$'000	Individually impaired 2009 \$'000	2008 \$'000
Other receivables - nominal amounts	18,950	21,205	653	653
Allowance for impairment	(11)	(11)	(653)	(653)
	18,939	21,194	-	-
Movement in allowance accounts				
At 1 July	11	11	653	14
Charge for the financial year	-	-	-	639
At 30 June	11	11	653	653

Other receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements.

23. Trade and other creditors

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Trade creditors	42,187	46,234	-	-
Accruals	11,815	14,181	942	2,508
Sundry creditors	8,718	7,225	141	86
Due to subsidiaries	-	-	22,329	8,927
Due to associates	764	6	-	-
	63,484	67,646	23,412	11,521

Trade creditors and sundry creditors are non-interest bearing and are generally on 30 to 120 day terms.

The amounts due to subsidiaries and associates are non-trade related, unsecured, interest-free and are repayable on demand.

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24. Finance lease creditors

The Group has entered into various finance lease facilities for its motor vehicles and data processing equipment. These leases expire over the next five years. The average discount rates implicit in the leases range from 4.3% to 6.2% (2008: 4.3% to 6.2%) per annum. Lease terms do not contain restrictions concerning payments of dividends, additional debt or further leasing.

There was no (2008:nil) contingent rent recognised as an expense in the period.

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Present value of minimum lease payments are as follow:-				
Not later than one year	114	90	81	34
Later than one year but not later than five years	335	559	315	418
Later than five years	-	26	-	26
Total present value of minimum lease payments	449	675	396	478
Future minimum lease repayments are as follow: -				
Not later than one year	134	115	100	51
Later than one year but not later than five years	372	635	350	477
Later than five years	-	26	-	26
Total future minimum lease payments	506	776	450	554
Amount representing interest	(57)	(101)	(54)	(76)
	449	675	396	478

25. Bank borrowings

	Group	
	2009 \$'000	2008 \$'000
<u>Current</u>		
Bank overdrafts (Note 31)	18,531	14,602
Trust receipts and bills payable	25,993	27,450
Term loans	754	1,250
Short term loans	7,572	9,110
	52,850	52,412
<u>Non-current</u>		
Term loans	206	971

Corporate guarantees are given by the Company amounting to \$125,866,000 (2008: \$125,614,000) for facilities granted to certain subsidiaries. The short term loans bear interest at rates that ranged from 2.2% to 8.0% (2008: 3.45% to 6.48%) per annum during the financial year.

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25. Bank borrowings (continued)

In financial year 2008, the Group was granted a RM4.0 million 2-year term loan and a RM3.0 million 3-year term loan to partially finance the renovation cost for the retail outlets, repayable by way of 24 and 36 equal monthly instalments respectively. The interest rates ranged from 7.00% to 8.75% per annum.

In financial year 2004, one of the subsidiaries of the Company issued \$30 million of deferred consideration notes (the "notes") to the Company as consideration for the acquisition of F J Benjamin (Singapore) Pte Ltd and B.M.I. (Pte.) Ltd. The Company, in turn, sold the notes to one of its wholly-owned subsidiaries, via a bank. The notes are unsecured, bear interest at 9.90% (2008: 9.90%) per annum and will mature in 2018.

26. Other liabilities

Other liabilities consist of an advance from an associate. The advance is interest-free, has no fixed terms of repayment and is not expected to be repaid within one year.

27. Deferred taxation

	Group				Company	
	Consolidated balance sheet		Consolidated income statement		Balance sheet	
	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Deferred tax liabilities</u>						
Unremitted foreign income	–	(531)	531	70	–	(531)
Depreciation	–	42	(42)	(199)	–	42
Provisions	–	77	(77)	90	–	77
Tax value of unutilised losses	–	412	(412)	(60)	–	412
Other	(40)	(40)	–	99	–	–
	(40)	(40)			–	–
<u>Deferred tax assets</u>						
Provisions	404	590	186	(247)	–	–
Depreciation	19	(115)	(134)	131	–	–
Tax value of unutilised losses	564	667	103	(118)	–	–
Foreign exchange	70	(131)	(201)	136	–	–
Other	126	12	(76)	(12)	–	–
	1,183	1,023	(122)	(110)	–	–

Deferred tax assets

The deferred tax assets are recognised in view of the foreseeable future taxable profit based on management forecast.

NOTES TO THE FINANCIAL STATEMENTS

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27. Deferred taxation (continued)

Unrecognised temporary differences relating to investments

At the balance sheet date, no deferred tax liability (2008: nil) has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's investments as:

- The Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future;
- The joint venture of the Group cannot distribute its profits until it obtains the consent of both the venturers. At the balance sheet date, the Group does not foresee giving such consent; and
- The associate of the Group cannot distribute its earnings until the receivables from the associate has been repaid. At the balance sheet date, the receivables remain unpaid and hence no distributions is expected in the foreseeable future.

Tax consequences of proposed dividends

There are no income tax consequences (2008: nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements.

28. Share capital

	Group and Company			
	2009	2009	2008	2008
	No. of shares		No. of shares	
	'000	\$'000	'000	\$'000
<u>Ordinary shares issued and fully paid</u>				
Opening balance	568,710	165,447	523,998	215,134
Exercise of warrants	–	–	44,712	24,245
Capital distribution	–	–	–	(73,932)
Closing balance	568,710	165,447	568,710	165,447

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

During the financial year 2008, a capital distribution of \$0.13 for each issued share was paid with no cancellation of shares.

29. Exchange translation reserve

The exchange 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, and the translation of monetary items that in substance forms part of the Company's net investment in a foreign subsidiary.

30. Preference shares issued by a subsidiary

During the financial year 2006, a subsidiary issued non-convertible preference shares to a third party which accounted for 51% equity interest in the subsidiary. However, these shares only accounted for 21% voting rights in the subsidiary. The preference shareholder is entitled to 20% of the dividend declared by the subsidiary and does not share in the profit and loss or net assets of the subsidiary.

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31. Cash and cash equivalents

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

	Group	
	2009	2008
	\$'000	\$'000
Fixed deposits	14,008	10,928
Cash on hand and at banks	19,346	13,235
	33,354	24,163
Bank overdrafts (Note 25)	(18,531)	(14,602)
	14,823	9,561

Fixed deposits earned interest at floating rates ranging from 0.05% to 1.32% (2008: 0.57% to 2.25%) per annum.

32. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk, liquidity risk and currency exchange risk. The Board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

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

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other debtors. Cash and fixed deposits are placed in banks and financial institutions with good credit rating.

The Group manages its credit risk through application of credit approvals, credit limits and monitoring procedures.

As at the balance sheet date, the Group's and the Company's maximum exposure to credit risk is represented by:

- the carrying amount of each class of financial assets recognised in the balance sheets; and
- \$135,317,000 (2008: \$135,743,000) relating to corporate guarantee provided by the Company to banks on banking facilities granted to certain subsidiaries and associates.

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32. Financial risk management objectives and policies (continued)

Credit risk (continued)

The age analysis of the trade and other receivables that are past due at the balance sheet dates but not impaired is as follows:

	Group		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Within 30 days	7,078	7,022	–	–
30 to 60 days	5,575	2,548	–	–
61 to 90 days	6,215	5,522	–	–
More than 90 days	23,426	27,760	–	–
	42,294	42,852	–	–

Trade and other receivables that are neither past due nor impaired are creditworthy debtors.

The Group has no significant concentration of credit risk except for an approximately 68% (2008: 62%) of the trade receivables due from an associated company group in Indonesia.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to its bank borrowings which subject to floating interest rates are repriced at intervals of less than one year. Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The effect of a reasonably possible increase in interest rates in each type of currency financial instrument, with all other variables held constant, would decrease/increase the profit before tax by the amounts shown below.

	Group			
	Basis points		Effect to the profit before tax	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Singapore dollar	200	200	429	470
Malaysian dollar	50	50	103	100
US dollar	200	200	124	120

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32. Financial risk management objectives and policies (continued)

Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group manages its liquidity risk by maintaining a healthy balance of cash and cash equivalents and an adequate amount of committed credit facilities.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the balance sheet date based on contractual undiscounted payments.

	1 year or less \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
Group				
2009				
Trade and other payables	63,484	–	–	63,484
Finance lease creditors	114	335	–	449
Bank borrowings	52,850	206	–	53,056
	116,448	541	–	116,989
2008				
Trade and other payables	70,229	–	–	70,229
Finance lease creditors	115	635	26	776
Bank borrowings	52,904	1,017	–	53,921
	123,248	1,652	26	124,926
Company				
2009				
Trade and other payables	23,412	–	–	23,412
Finance lease creditors	81	315	–	396
	23,493	315	–	23,808
2008				
Trade and other payables	11,521	–	–	11,521
Finance lease creditors	51	477	26	554
	11,572	477	26	12,075

Currency exchange risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities. 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. Where appropriate, the Group engages in foreign currency forward contracts to reduce exposure from currency fluctuations.

The table below summarised the Group's and Company's exposure to the foreign currencies balances at balance sheet dates.

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32. Financial risk management objectives and policies (continued)

Currency exchange risk (continued)

	USD \$'000	CHF \$'000	Euro \$'000	SGD \$'000	Thb \$'000	HK\$ \$'000
Group						
2009						
Trade and other receivables	2,321	3,923	1	854	6,177	4,563
Trade and other payables	29,408	9,627	2,239	39,348	–	–
Net borrowings / (net cash)	(4,786)	(2,441)	(179)	2	–	4
2008						
Trade and other receivables	693	365	4	858	5,357	–
Trade and other payables	24,342	17,966	3,229	44,143	–	3,691
Net borrowings / (net cash)	6,062	2,607	887	(3)	–	–
	A\$ \$'000	Thb \$'000	RM \$'000	HK\$ \$'000	Euro \$'000	
Company						
2009						
Other receivables		3,389	5,269	2,098	6,629	71
2008						
Other receivables		3,771	4,871	3,541	–	–

The following table demonstrates the sensitivity to a reasonably possible change in the major foreign currencies that the Group is exposed to, with all other variables held constant, of the Group's profit before tax.

	2009		2008	
	Changes	Profit before tax \$'000	Changes	Profit before tax \$'000
USD	+7%	(2,231)	+11%	(3,268)
CHF	+1%	(81)	+7%	(1,415)
Euro	+5%	(121)	+4%	(164)
SGD	+7%	(2,694)	+11%	(4,761)
Thb	+5%	309	+9%	482
HK\$	+7%	320	+11%	(406)

The weakening of the above currencies with the same percentage point changes result in an opposite change to the profit before tax with the same quantum.

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33. Financial instruments

Carrying value

The carrying amounts of financial instruments in each of the following categories as defined in FRS 39 are as follows:

	Group		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Loans and receivables				
Subsidiaries	–	–	39,611	46,931
Other receivables	963	1,979	–	–
Trade debtors	48,534	64,859	–	–
Tax recoverable	2,401	1,132	–	–
Other debtors	18,939	21,194	57,478	46,038
Cash on hand and at banks	33,354	24,163	14,531	11,471
	104,191	113,327	111,620	104,440
Available-for-sale assets				
Other investments	59	264	59	264
Financial liabilities measured at amortised cost				
Trade and other creditors	63,484	67,646	23,412	11,521
Finance lease creditors	449	675	396	478
Bank borrowings	53,056	53,383	–	–
Other liabilities	2,583	2,583	–	–
	119,572	124,287	23,808	11,999

Fair value

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Financial instruments carried at fair value

The Group and Company carry other investments that are classified as available for sale financial assets at their fair values as required by FRS 39.

Financial instruments whose carrying amount approximate fair value

Management has determined that the carrying amounts of all current financial assets, financial liabilities and all bank borrowings reasonably approximate their fair values because these are mostly short term in nature or are repriced frequently. Fair value is determined directly by reference to their published market bid price at the balance sheet date.

Financial instruments whose fair value not determinable

The loans receivable and other receivables from subsidiaries and the unsecured loan receivable from associate have no fixed terms of repayment and are repayable only when the cash flow of the subsidiaries and the associate permit. Accordingly, the fair value of the loans and other receivables are not determinable as the timing of the future cash flow arising from them cannot be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS

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33. Financial instruments (continued)

Financial instruments whose fair value not determinable (continued)

The advance from an associate has no fixed terms of repayment. Accordingly, the fair value of the advance is not determinable as the timing of the future cash flow arising from the advance cannot be estimated reliably.

34. Segment information

The following tables present revenue and profit information regarding the business segments for the financial years ended 30 June 2008 and 2009 and certain asset and liability information regarding the business segments as at 30 June 2008 and 2009.

Business segments

	Ongoing Retail	Distribution	Export	Corporate and Others	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
2009					
Sales to external consumers	151,466	91,579	56,851	–	299,896
Intersegment sales	–	26,601	6,517	–	33,118
Segment revenue	<u>151,466</u>	<u>118,180</u>	<u>63,368</u>	<u>–</u>	<u>333,014</u>
Segment results	<u>(10,434)</u>	<u>12,711</u>	<u>4,492</u>	<u>(4,918)</u>	1,851
Exceptional items, net					(3,061)
Bank interest income					141
Interest expense					(1,970)
Share of results of associates, net of tax					970
Loss before taxation					<u>(2,069)</u>
Taxation					(592)
Net loss for the financial year					<u>(2,661)</u>
2008					
Sales to external consumers	162,400	109,730	70,257	–	342,387
Intersegment sales	–	37,247	10,489	–	47,736
Segment revenue	<u>162,400</u>	<u>146,977</u>	<u>80,746</u>	<u>–</u>	<u>390,123</u>
Segment results	<u>(4,086)</u>	<u>22,988</u>	<u>5,077</u>	<u>(8,033)</u>	15,946
Exceptional items, net					105
Bank interest income					1,219
Interest expense					(1,716)
Investment income					9
Share of results of associates, net of tax					2,785
Profit before taxation					<u>18,348</u>
Taxation					(3,544)
Net profit for the financial year					<u>14,804</u>

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30 June 2009

34. Segment information (continued)

Business segments (continued)

	Ongoing Retail \$'000	Distribution \$'000	Export \$'000	Corporate and Others \$'000	Group \$'000
2009					
Segment assets	81,971	70,461	31,812	57,319	241,563
Unallocated assets					10,852
Total assets					<u>252,415</u>
Segment liabilities	42,680	22,995	15,132	1,208	82,015
Unallocated liabilities					38,450
Total liabilities					<u>120,465</u>
Capital expenditure	2,420	421	643	(64)	3,420
Depreciation	6,074	759	754	1,140	8,727
Impairment loss on investment properties, net	-	-	-	517	517
2008					
Segment assets	92,069	71,145	38,359	54,025	255,598
Unallocated assets					10,648
Total assets					<u>266,246</u>
Segment liabilities	37,348	24,964	17,267	2,669	82,248
Unallocated liabilities					44,859
Total liabilities					<u>127,107</u>
Capital expenditure	10,600	1,751	871	3,304	16,526
Depreciation	5,843	923	839	1,096	8,701
Reversal of impairment loss on investment properties	-	-	-	(1,092)	(1,092)

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34. Segment information (continued)

Geographical segments

The following table presents revenue information regarding geographical segments for the financial years ended 30 June 2008 and 2009 and certain asset information regarding geographical segments as at 30 June 2008 and 2009.

	Southeast Asia	North Asia	Other	Group
	\$'000	\$'000	\$'000	\$'000
2009				
Turnover	252,150	42,595	5,151	299,896
Other geographical information:				
Assets	189,557	58,086	4,772	252,415
Capital expenditure	3,373	35	12	3,420
2008				
Turnover	289,809	46,864	5,714	342,387
Other geographical information:				
Assets	207,750	53,829	4,667	266,246
Capital expenditure	15,855	256	415	16,526

35. Operating leases

The Group has various operating lease agreements for retail outlets, office premises and office equipment. The leases expire at various dates till 2016 and contain provisions for rental adjustments, as well as commitments for additional lease payments when turnover of certain retail outlets exceeds pre-determinable levels. There was no (2008:nil) contingent rent other than turnover rent recognised as an expense during the period. Lease terms do not contain restrictions concerning payments of dividends, additional debt or further leasing. Future minimum lease payments for all leases with initial or remaining terms of one year or more are as follows: -

	Group	
	2009	2008
	\$'000	\$'000
Within one year	192,940	32,927
Between one year to five years	57,105	62,708
Later than five years	622	4,982
	<u>250,667</u>	<u>100,617</u>

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30 June 2009

35. Operating leases (continued)

The Group leases part of its leasehold buildings under operating lease arrangements, with leases negotiated for terms ranging from one to two years. The future minimum lease receivables under non-cancellable operating leases as at 30 June are as follows:

	Group	
	2009	2008
	\$'000	\$'000
Within one year	826	608
Between one year to five years	343	225
	<u>1,169</u>	<u>833</u>

There was no (2008:nil) contingent rent recognised as an income during the period.

36. Contingent liabilities, unsecured

	Group		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Contingent liabilities not provided for in the financial statements: -				
Banker guarantees in lieu of rental deposits	<u>8,300</u>	<u>7,574</u>	<u>-</u>	<u>-</u>

The Company has undertaken to provide financial support to certain subsidiaries and associates for deficiencies in their shareholders' funds and to extend adequate funding to meet their operational needs.

37. Commitments

As at 30 June 2009, the Group has entered into several licensing and distribution agreements with its principals. Under the agreements, the Group is committed to certain levels of purchases and advertising expenditure in accordance with the agreed terms and conditions. The Group has substantially met these purchase and advertising commitments.

As at 30 June 2009, the Group has outstanding forward contracts with settlement dates within the next one year of Swiss Franc 192,000 and US dollar 4,933,000 (2008: Swiss Franc 670,000, US dollar 132,000 and Euro 38,000).

The resulting financial assets/liabilities arising from the contracts was not material to the Group.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

38. Related party disclosure

In addition to related parties transactions disclosed in other notes to the financial statements, during the financial year, the Group has entered into transactions with related parties on terms agreed between the parties, as shown below:

	2009	2008
	\$'000	\$'000
Sale of goods to an associate	49,622	59,713
Market support and administrative service income from an associate	3,009	3,520
Purchase of goods from an associate	93	95
Impairment loss on debts due from an associate	-	546
Directors' fees		
- Directors of the Company	250	280
- Other directors of subsidiaries	5	5
Remuneration of key management personnel:		
- Directors of the Company	2,095	3,750
- Other directors of subsidiaries	2,527	2,600
- Non directors	-	485
	4,622	6,835

Provident fund contributions of \$135,000 (2008: \$169,000) are included in remuneration of key management personnel.

39. Capital management

The Group aims to maintain a healthy capital ratios, using gearing ratio and return on equity, in order to support its business and maximise shareholders' value, while at the same time maintaining an appropriate dividend policy to reward its shareholders.

The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in objectives, policies or processes during the financial years ended 30 June 2009 and 30 June 2008.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

39. Capital management (continued)

The capital ratios of the Group for the financial years ended are as follow:

	Group	
	2009	2008
	\$'000	\$'000
Bank borrowings	53,056	53,383
Finance lease	449	675
Less cash on hand and at banks	(33,354)	(24,163)
Net debt	<u>20,151</u>	<u>29,895</u>
Equity attributable to equity holders of the Company	131,826	139,015
Net (loss) / profit for the financial year	(2,661)	14,804
Gearing ratio	0.15	0.22
Return on equity	<u>-2.02%</u>	<u>10.65%</u>

40. Dividends

	Group and Company	
	2009	2008
	\$'000	\$'000
Paid during the financial year:		
Final dividend (one-tier tax exempt) for financial year 2008: 1.10 cents (2007: 1.00 cent less tax of 18%) per ordinary share	6,256	4,663
Special dividend for financial year 2008: nil (2007: 1.00 cent less tax of 18%) per ordinary share	–	4,663
Interim dividend (one-tier tax exempt) for financial year 2009: nil [2008: 0.90 cent (one-tier tax exempt)]	–	5,119
	<u>6,256</u>	<u>14,445</u>

Proposed but not recognised as a liability as at 30 June:

First and final dividend (one-tier tax exempt) for financial year 2009: 0.5 cent [2008: 1.10 cents (one-tier tax exempt)] per ordinary share

	2,844	6,256
	<u>2,844</u>	<u>6,256</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

41. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation and to better reflect the nature of the transactions.

	As restated	Adjustments	As previously stated
	\$'000	\$'000	\$'000
Group			
Other income	5,676	(1,493)	7,169
Interest income	1,219	1,219	–
Foreign exchange (loss)/gain	274	274	–

42. Authorisation of financial statements

The financial statements for the financial year ended 30 June 2009 were authorised for issue in accordance with a resolution of the Directors dated 28 September 2009.

STATISTICS OF SHAREHOLDINGS

As at 10 September 2009

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 999	62	1.35	4,855	0.00
1,000 - 10,000	3,194	69.63	13,575,772	2.39
10,001 - 1,000,000	1,307	28.50	66,500,048	11.69
1,000,001 AND ABOVE	24	0.52	488,629,182	85.92
TOTAL	4,587	100.00	568,709,857	100.00

TWENTY LARGEST SHAREHOLDERS

NAME	NO. OF SHARES	%
1. DBS NOMINEES PTE LTD	143,270,900	25.19
2. HSBC (SINGAPORE) NOMINEES PTE LTD	70,344,500	12.37
3. LIM ENG HOCK	65,000,000	11.43
4. RAFFLES INVESTMENTS LIMITED	62,280,000	10.95
5. CITIBANK NOMINEES SINGAPORE PTE LTD	24,608,492	4.33
6. UNITED OVERSEAS BANK NOMINEES PTE LTD	24,576,040	4.32
7. HONG LEONG FINANCE NOMINEES PTE LTD	17,416,000	3.06
8. BNP PARIBAS SECURITIES SERVICES SINGAPORE PTE LTD	16,972,000	2.98
9. BENJAMIN ELI MANASSEH*	11,487,050	2.02
10. KESTREL CAPITAL (HONG KONG) LIMITED	9,312,000	1.64
11. UOB KAY HIAN PTE LTD	7,352,000	1.29
12. DBSN SERVICES PTE LTD	6,135,000	1.08
13. THIAN YIM PHENG	4,038,000	0.71
14. DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	3,561,000	0.63
15. SSP INNOVATIONS PTE LTD	3,364,000	0.59
16. PHILLIP SECURITIES PTE LTD	3,101,000	0.55
17. OCBC NOMINEES SINGAPORE PTE LTD	2,569,080	0.45
18. POONG SENG WAI (FENG SHENGWEI)	2,388,000	0.42
19. KIM ENG SECURITIES PTE. LTD.	2,321,120	0.41
20. LEE SUI HEE	2,200,000	0.39
TOTAL	482,296,182	84.81

*Excludes 12,000,000 shares held by nominees

STATISTICS OF SHAREHOLDINGS

As at 10 September 2009

SUBSTANTIAL SHAREHOLDERS AS RECORDED IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

	DIRECT INTEREST	%	DEEMED INTEREST	%
1. Lim Eng Hock	65,000,000	11.43	29,276,000	5.15
2. Segulah Pte Ltd @	91,937,900	16.17	-	-
3. Arisaig ASEAN Fund Limited ^	63,109,000	11.10	-	-
4. Raffles Investments Limited #	62,280,000	10.95	-	-
5. Temasek Holdings (Private) Ltd @	-	-	91,937,900	16.17
6. DBS Trustee Limited @	-	-	91,937,900	16.17
7. DBS Group Holdings Limited @	-	-	91,937,900	16.17
8. DBS Bank Ltd. @	-	-	91,937,900	16.17
9. Arisaig Asia Fund Limited ^	-	-	63,109,000	11.10
10. Arisaig Partners (BVI) Limited ^	-	-	63,109,000	11.10
11. Arisaig Partners (Holdings) Ltd ^	-	-	63,109,000	11.10
12. Skype Partners Limited ^	-	-	63,109,000	11.10
13. Perivoli Trust ^	-	-	63,109,000	11.10
14. Lindsay Cooper ^	-	-	63,109,000	11.10
15. Sannox Trust ^	-	-	63,109,000	11.10
16. Aequitas Pte Ltd #	-	-	62,280,000	10.95
17. Kambau Pte Ltd #	-	-	62,280,000	10.95
18. Siong Lim Private Limited #	-	-	62,280,000	10.95
19. Tecity Pte Ltd #	-	-	62,280,000	10.95
20. Dr Tan Kheng Lian #	-	-	62,280,000	10.95
21. Aberdeen Asset Management Asia Limited	-	-	40,025,000	7.04
22. Aberdeen Asset Management PLC and its subsidiaries	-	-	40,025,000	7.04
23. Credit Suisse	-	-	40,025,000	7.04
24. Credit Suisse Group AG	-	-	40,025,000	7.04
25. Frank Benjamin	-	-	37,191,000	6.54
26. Mavis Benjamin, Mrs	-	-	37,191,000	6.54

@ Temasek Holdings (Private) Ltd, DBS Trustee Limited, DBS Group Holdings Limited and DBS Bank Ltd are deemed to be interested in the shares held by Segulah Pte Ltd.

Aequitas Pte Ltd, Kambau Pte Ltd, Siong Lim Private Limited, Tecity Pte Ltd and Dr Tan Kheng Lian are deemed to be interested in the shares held by Raffles Investments Limited.

^ Arisaig Asian Fund Limited, Arisaig Partners (BVI) Limited, Arisaig Partners (Holdings) Ltd, Skype Partners Limited, Perivoli Trust, Lindsay Cooper and Sannox Trust are deemed to be interested in the shares held by Arisaig ASEAN Fund Limited.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

Based on the information available to the Company, as at 10 September 2009, approximately 27% 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.

NOTICE OF ANNUAL GENERAL MEETING

F J BENJAMIN HOLDINGS LTD
(Co. Reg. No. 197301125N)
(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 Lavender Room, Level 3 Orchard Hotel, 442 Orchard Road, Singapore 238879 on Monday, 26 October 2009 at 2.30 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Report and the Audited Accounts of the Company for the year ended 30 June 2009 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To declare a first and final dividend of 0.50 cent per ordinary share one-tier tax exempt for the year ended 30 June 2009 (2008: final dividend of 1.10 cents per ordinary share one-tier tax exempt). **(Resolution 2)**
3. To re-elect the following Directors of the Company retiring by rotation pursuant to Articles 102 and 106 of the Articles of Association of the Company:

Mr Douglas Jackie Benjamin	(Retiring under Article 102)	(Resolution 3)
Ms Wong Ai Fong	(Retiring under Article 102)	(Resolution 4)
Mr Chew Kwee San	(Retiring under Article 106)	(Resolution 5)

Mr Douglas Jackie Benjamin will, upon re-election as a Director of the Company, remain as a member of the Executive Committee and will be considered non-independent.

Ms Wong Ai Fong will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and will be considered independent.

Mr Chew Kwee San will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and will be considered independent.

4. To pass the following Ordinary Resolutions pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore (the “Companies Act”):
 - a) to re-appoint Mr Joseph Grimberg, a director retiring under Section 153(6) of the Companies Act, to hold office from the date of this Annual General Meeting until the next Annual General Meeting.
[See Explanatory Note (i)] **(Resolution 6)**

Mr Joseph Grimberg will, upon re-appointment as a Director of the Company, remain as Chairman of the Nominating Committee and a member of the Remuneration Committee and will be considered independent.
 - b) to re-appoint Mr Frank Benjamin, a director retiring under Section 153(6) of the Companies Act, to hold office from the date of this Annual General Meeting until the next Annual General Meeting.
[See Explanatory Note (ii)] **(Resolution 7)**

Mr Frank Benjamin will, upon re-appointment as a Director of the Company, remain as a member of the Nominating Committee and Executive Committee and will be considered non-independent.
5. To approve the payment of Directors’ Fees of S\$250,000 for the year ending 30 June 2010 to be paid quarterly in arrears. (2009: S\$280,000).
[See Explanatory Note (ii)] **(Resolution 8)**

6. To re-appoint Messrs Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 9)**
7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

8. Authority to issue shares

That pursuant to Section 161 of the Companies Act and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise and/ or
- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) (A) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution (the "Share Issues") shall not, save and except as set out in sub-paragraph 1(B) below, exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below);
- (B) the aggregate number of shares to be issued pursuant to this Resolution by way of a renounceable rights issue on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) (the "Renounceable Rights Issues") shall not exceed 100% of the total number of issued shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below);
- (C) the number of shares to be issued pursuant to the Share Issues and the Renounceable Rights Issues shall not, in aggregate, exceed 100% of the total number of the issued shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) at the time this Resolution is passed, after adjusting for:
 - (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;
 - (b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;

NOTICE OF ANNUAL GENERAL MEETING

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Listing Manual of the SGX-ST for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable requirements under the Companies Act and otherwise, and the Articles of Association of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (iii)]

(Resolution 10)

9 Authority to issue shares other than on a pro rata basis pursuant to the aforesaid share issue mandate at discounts not exceeding twenty per centum (20%) of the weighted average price for trades done on the SGX-ST

That without prejudice to the generality of, and pursuant and subject to the aforesaid share issue mandate as set out in Resolution 10 being obtained, the Directors of the Company be hereby authorised and empowered to issue shares other than on a pro rata basis at a discount not exceeding twenty per centum (20%) to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement in relation to such shares is executed (or if not available, the weighted average price based on the trades done on the preceding market day up to the time the placement or subscription agreement is executed), provided that:

- (a) in exercising the authority conferred by this Resolution, the Company complies with the requirements imposed by the SGX-ST from time to time and the provisions of the Listing Manual of the SGX-ST for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable requirements under the Companies Act and otherwise, and the Articles of Association of the Company; and
- (b) unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (iv)]

(Resolution 11)

10. Renewal of Share Purchase Mandate

That:

- (a) for the purposes of the Companies Act, the exercise by the Directors of the Company of all powers of the Company to purchase or otherwise acquire shares not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) market purchase(s) ("Market Purchases"), transacted on the SGX-ST through the ready market, through one or more duly licensed stock brokers appointed by the Company for that purpose; and/or
 - (ii) off-market purchase(s) ("Off-Market Purchases") effected pursuant to an equal access scheme, as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all conditions prescribed by the Companies Act;

NOTICE OF ANNUAL GENERAL MEETING

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the provisions of the Listing Manual of the SGX-ST for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");

- (b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution and expiring the earlier of:
- (i) the date the next Annual General Meeting of the Company is held or required by law to be held; or
 - (ii) the date on which the purchases or acquisitions of shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated,

whichever is the earlier;

- (c) in this Ordinary Resolution:

"Maximum Limit" means the number of issued shares representing 10% of the total number of issued shares as at the date of the passing of this Ordinary Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued shares shall be taken to be the amount of the issued shares as altered (excluding any treasury shares that may be held by the Company from time to time);

"Relevant Period" means the period commencing from the date on which the last Annual General Meeting of the Company was held and expiring on the date the next Annual General Meeting of the Company is held or is required by law to be held, whichever is the earlier, after the date of this Ordinary Resolution; and

"Maximum Price" in relation to a share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (hereinafter defined); and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price,

where:

"Average Closing Price" means the average of the closing market prices of a share for the five (5) consecutive Market Days (a "Market Day" being a day on which the SGX-ST is open for trading in securities) on which the shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the provisions of the Listing Manual of the SGX-ST for any corporate action which occurs after the relevant 5-day period; and

NOTICE OF ANNUAL GENERAL MEETING

- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.

[See Explanatory Note (v)]

(Resolution 12)

By Order of the Board

Karen Chong Mee Keng
Dilhan Pillay Sandrasegara
Joint Company Secretaries

Singapore, 9 October 2009

Explanatory Notes:

- (i) The effect of the Ordinary Resolutions 6 and 7 proposed in item 4 above, are to re-appoint directors of the Company who are over 70 years of age.
- (ii) The Ordinary Resolution 8 in item 5 above, if passed, will authorise the Directors of the Company to pay Directors' Fees to Non-executive Directors for the year ending 30 June 2010 quarterly in arrears.

While the payment of Directors Fees' of S\$280,000 for the year ended 30 June 2009 was approved by Shareholders at the Annual General Meeting of the Company held on 30 October 2008, the Directors' Fees paid for the year ended 30 June 2009 amounted to only S\$250,000 as there was a change in the number of Non-executive Directors.

- (iii) The Ordinary Resolution 10 in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments (such as warrants or debentures) convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares), of which up to 10% may be issued other than on a pro rata basis to shareholders. The foregoing is subject to the exception that where the Company undertakes a renounceable pro rata rights issue of shares (including shares to be issued pursuant to such instruments), the maximum number of such shares that can be issued is 100% of the total number of issued shares (excluding treasury shares), provided that the total number of shares which may be issued pursuant to the Share Issues and the Renounceable Rights Issues shall not exceed 100% of the total number of issued shares (excluding treasury shares).

For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares will be calculated based on the total number of issued shares (excluding treasury shares) at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

On 19 February 2009, the SGX-ST released a press release of new measures effective on 20 February 2009 ("Press Release"); the new measures include allowing issuers to issue up to 100% of its issued share capital via a pro rata renounceable rights issue, subject to the condition that the issuer makes periodic announcements on the use of the proceeds as and when the funds are materially disbursed and provides a status report on the use of proceeds in its

NOTICE OF ANNUAL GENERAL MEETING

annual report. The Press Release states that this new measure will be in effect until 31 December 2010 when it will be reviewed by the SGX-ST.

- (iv) The Ordinary Resolution 11 in item 9 above will empower the Directors, pursuant to the general mandate to issue shares set out in Ordinary Resolution 10, to issue shares other than on a pro rata basis to shareholders of the Company, at a discount not exceeding 20% to the weighted average price of the shares on the SGX-ST for the full market day on which the placement or subscription agreement is executed (or if not available, the weighted average price based on trades done on the preceding market day up to the time the placement or subscription agreement is executed). Rule 811(1) of the Listing Manual of the SGX-ST presently provides that an issue of shares must not be priced at more than 10% discount to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is executed (or if not available, the weighted average price based on the trades done on the preceding market day up to the time the placement or subscription agreement is executed). The Press Release also included a new measure allowing issuers to undertake placements of new shares using the general mandate to issue shares, priced at discounts of up to 20%, subject to the conditions that the issuer seeks shareholders' approval in a separate resolution (the "Resolution") at a general meeting to issue new shares on a non pro rata basis at discount exceeding 10% but not more than 20%; and (b) that the resolution seeking a general mandate from shareholders for issuance of new shares on a non pro rata basis is not conditional upon the Resolution. The Press Release states that this new measure will be in effect until 31 December 2010 when it will be reviewed by the SGX-ST.

It should be noted that under the Listing Manual of the SGX-ST, shareholders' approval is not required for placements of new shares, on a non pro rata basis pursuant to a general mandate to issue shares, at a discount of up to 10% to the weighted average price for trades done on the SGX-ST for a full market day on which the placement or subscription agreement in relation to such shares is executed.

- (v) The Ordinary Resolution 12 proposed in item 10 above, if passed, will empower the Directors of the Company to exercise all powers of the Company to purchase or otherwise acquire (whether by way of market purchases or off-market purchases) shares on the terms of the mandate (the "Share Purchase Mandate") set out in the attached letter to Shareholders (the "Letter"). The authority conferred by Shareholders will continue in force until the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, unless previously revoked or varied at a general meeting.

Apart from using its internal source of funds, the Company may obtain or incur borrowings to finance its purchases or acquisitions of Shares. The Directors of the Company do not propose to exercise the Share Purchase Mandate to such extent that it would result in any material adverse effect to the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST. The amount of financing required for the Company to purchase its shares pursuant to the Share Purchase Mandate and the impact on the Company's financial position, cannot be realistically ascertained as at the date of this Notice as this will depend on factors such as the aggregate number of shares purchased and the purchase prices paid at the relevant times.

An illustration of the financial impact of the share purchased by the Company pursuant to the Share Purchase Mandate on the audited financial statement of the Group for the financial year ended 30 June 2009, is set out in the Letter.

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 10 Science Park Road, #04-01, The Alpha Science Park II, Singapore 117684 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

SHARE PURCHASE MANDATE

F J BENJAMIN HOLDINGS LTD

(Incorporated in the Republic of Singapore)
(Company Registration No. 197301125N)

Board of Directors:

Frank Benjamin, Executive Chairman
Keith Tay Ah Kee, Non-Executive Deputy Chairman
Eli Manasseh Benjamin, Chief Executive Officer
Douglas Jackie Benjamin, Executive Director
Karen Chong Mee Keng, Executive Director
Joseph Grimberg, Independent Director
Reggie Thien, Independent Director
Wong Ai Fong, Independent Director
Chew Kwee San, Independent Director

Registered Office:

10 Science Park Road
#04-01 The Alpha
Singapore 117684

9 October 2009

To: The Shareholders of F J Benjamin Holdings Ltd

PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

Dear Sir/Madam

1. INTRODUCTION

1.1 AGM

We refer to (a) the notice of AGM of the Company dated 9 October 2009 (the "**Notice of AGM**") convening the AGM to be held on 26 October 2009 (the "**2009 AGM**"), and (b) the ordinary resolution number 12 under the heading "Special Business" set out in the Notice of AGM.

1.2 Letter

The purpose of this Letter is to provide Shareholders with information relating to the proposed renewal of the Share Purchase Mandate, details of which are set out in paragraph 2 of this Letter and to seek their approval in relation thereto at the AGM.

1.3 SGX-ST

The SGX-ST assumes no responsibility for the accuracy of any statements or opinions made or reports contained in this Letter.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 The Share Purchase Mandate

Sections 76B, 76C, 76D, 76DA, and 76E, of the Companies Act allow a listed company to purchase its own shares. At the EGM held on 29 October 2007, the Shareholders had approved a mandate to allow the Company to purchase or otherwise acquire its issued Shares. This mandate was subsequently renewed at the AGM of the Company held on 30 October 2008 (the "**2008 AGM**"). The rationale for, the authority and limitations on, and the financial effects of the renewal of the mandate (the "**2008 Share Purchase Mandate**") were set out in the Company's Letter to Shareholders dated 13 October 2008 (the "**2008 Letter**").

SHARE PURCHASE MANDATE

The authority conferred pursuant to the 2008 Share Purchase Mandate may be exercised by the Directors at any time during the period commencing from the date of the 2008 AGM and expiring on the date when the next AGM of the Company is held, or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

Accordingly, the Directors shall seek the approval of the Shareholders for the renewal of the Share Purchase Mandate at the 2009 AGM.

2.2 Rationale for Proposed Renewal of the Share Purchase Mandate

The approval of the proposed renewal of the Share Purchase Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake share purchases or acquisitions up to the 10% limit described in paragraph 2.3(a) below at any time, during the period when the Share Purchase Mandate is in force.

The rationale for the Company to undertake the purchase or acquisition of its issued Shares is as follows:

- (a) In managing the business of the Group, the management will strive to increase Shareholders' value by improving, *inter alia*, the ROE of the Company. In addition to growth and expansion of the business, share purchases may be considered as one of the ways through which the ROE of the Company may be enhanced.
- (b) In line with international practice, the Share Purchase Mandate will provide the Company with greater flexibility in managing its capital and maximising returns to its Shareholders. To the extent that the Company has capital and surplus funds, which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner.
- (c) Share purchase programmes help to buffer short-term share price volatility.
- (d) The Share Purchase Mandate will provide the Company the flexibility to undertake share repurchases at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the said 10% limit during the duration referred to in paragraph 2.3(a) below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 10% limit as authorised and the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate would be made only as and when the Directors consider it to be in the best interests of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Purchase Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

2.3 Authority and Limits on the Share Purchase Mandate

The authority and limitations placed on the share purchases by the Company under the proposed Share Purchase Mandate, if renewed at the forthcoming 2009 AGM, are similar in terms to those previously approved by Shareholders at the 2008 AGM, and for the benefit of Shareholders, are summarised below:

SHARE PURCHASE MANDATE

(a) Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased by the Company. The total number of Shares which may be purchased or acquired pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the total number of Shares (ascertained as at the date of the 2009 AGM at which the renewal of the Share Purchase Mandate is approved). Any Shares which are held as treasury shares will be disregarded for purposes of computing the 10% limit.

For illustrative purposes only, on the basis of 568,709,857 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the 2009 AGM, not more than 56,870,985 Shares (representing 10% of the total number of Shares as at that date) may be purchased by the Company pursuant to the proposed Share Purchase Mandate during the duration referred to in paragraph 2.3(b) below.

(b) Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the 2009 AGM, at which the renewal of the Share Purchase Mandate is approved, up to:

- (i) the date on which the next AGM is held or required by law to be held; or
- (ii) the date on which the purchases or acquisitions of Shares pursuant to the proposed Share Purchase Mandate are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Shareholders in a general meeting,

whichever is the earliest.

The authority conferred on the Directors by the Share Purchase Mandate to purchase Shares may be renewed at the next AGM or at an EGM to be convened immediately after the conclusion or adjournment of the next AGM. When seeking the approval of the Shareholders for the Share Purchase Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the proposed Share Purchase Mandate made during the previous 12 months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

(c) Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

- (i) market purchase(s) ("**Market Purchase**"), transacted on the SGX-ST through the ready market, through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or
- (ii) off-market purchase(s) ("**Off-Market Purchase**") effected pursuant to an equal access scheme in accordance with Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Rules and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An Off-Market Purchase must, however, satisfy all the following conditions:

- (A) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (B) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made; and

SHARE PURCHASE MANDATE

- (C) the terms of all the offers shall be the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; (2) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid (if applicable); and (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Pursuant to the Listing Rules, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it shall issue an offer document to all Shareholders containing at least the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed purchase or acquisition of Shares;
- (4) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST; and
- (6) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases of Shares, where relevant, and the total consideration paid for the purchases.

(d) Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting purchases or acquisitions of Shares by the Company under the Share Purchase Mandate. However, the maximum purchase price (the "**Maximum Price**") to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price,

in either case, excluding related expenses of the purchase or acquisition.

For the above purposes:

"**Average Closing Price**" means the average of the closing market prices of a Share for the five (5) consecutive Market Days on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the Listing Rules for any corporate action which occurs after the relevant five (5) Market Days.

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

SHARE PURCHASE MANDATE

2.4 Status of Purchased Shares

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares. At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as treasury shares or partly cancelled and partly kept as treasury shares, depending on the needs of the Company at that time.

2.5 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act, are summarised below:

(a) Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

(b) Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time:

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under the Listing Manual, immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "**usage**"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, and the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the usage.

SHARE PURCHASE MANDATE

2.6 Reporting Requirements

Within 30 days of the passing of a Shareholders' resolution to approve the purchases of Shares by the Company, the Company shall lodge a copy of such resolution with the Registrar.

The Company shall notify the Registrar within 30 days of a purchase of Shares by the Company on the SGX-ST or otherwise. Such notification shall include details of the purchases, the total number of Shares purchased by the Company, the Company's issued ordinary share capital as at the date of the Shareholders' resolution approving the purchase of the Shares and after the purchase of Shares, and the amount of consideration paid by the Company for the purchases, whether the Shares were purchased out of profits or the capital of the Company and such other particulars as may be required in the prescribed form.

The Listing Rules specify that a listed company shall notify the SGX-ST of all purchases or acquisitions of its Shares not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made, and
- (b) in the case of an Off-Market Purchase under an equal access scheme in accordance with Section 76C of the Companies Act, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchases or acquisition of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

2.7 Source of Funds

The Company may only apply funds for the purchase or acquisition of the Shares as provided in the Articles and in accordance with the applicable laws in Singapore. The Company may not purchase its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Companies Act permits the Company to purchase or acquire its own Shares out of capital, as well as from its distributable profits. Apart from using its internal sources of funds, the Company may obtain or incur borrowings to finance its purchase or acquisition of Shares.

2.8 Financial Effects

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Purchase Mandate on the NTA and EPS as the resultant effect would depend on, *inter alia*, aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares and the amount (if any) borrowed by the Company to fund the purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares.

The Company's total issued share capital will be diminished by the total number of the Shares purchased by the Company and which are cancelled. The NTA of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

SHARE PURCHASE MANDATE

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group. The purchase or acquisition of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions. The proposed Share Purchase Mandate will be exercised with a view of enhancing the EPS and/or the NTA value per Share.

For illustrative purposes only, the financial effects of the Share Purchase Mandate on the Company and the Group, based on the audited financial accounts of the Group for the financial year ended 30 June 2009 are based on the assumptions set out below:

- (a) based on 568,709,857 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are held by the Company as treasury shares on or prior to the 2009 AGM, not more than 56,870,985 Shares (representing 10% of the total number of issued Shares of the Company as at that date) may be purchased by the Company pursuant to the proposed Share Purchase Mandate;
- (b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 56,870,985 Shares at the Maximum Price of S\$0.32 for one Share (being the price equivalent to 5% above the average of the closing market prices of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 56,870,985 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately S\$18.199 million; and
- (c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 56,870,985 Shares at the Maximum Price of S\$0.36 for one Share (being the price equivalent to 20% above the average of the closing market prices of the Shares on the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 56,870,985 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately S\$20.474 million.

For illustrative purposes only, and based on the assumptions set out in sub-paragraphs (a), (b) and (c) above and assuming that (i) the purchase or acquisition of Shares is financed solely by internal sources of funds; (ii) the Share Purchase Mandate had been effective on 30 June 2009; and (iii) the Company had purchased or acquired 56,870,985 Shares (representing 10% of the total number of issued Shares of the Company at the Latest Practicable Date) on 30 June 2009, the financial effects of the purchase or acquisition of 56,870,985 Shares by the Company pursuant to the Share Purchase Mandate:

- (i) by way of purchases made entirely out of capital and held as treasury shares and
- (ii) by way of purchases made entirely out of capital and cancelled.

on the audited financial accounts of the Company and the Group for the financial year ended 30 June 2009 are set out below:

SHARE PURCHASE MANDATE

(1) Purchases made entirely made out of capital and held as treasury shares

(A) Market Purchases

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
	S\$'000	S\$'000	S\$'000	S\$'000
As at 30 June 2009				
Issued capital and reserves	131,950	131,950	162,683	162,683
Treasury shares	-	(18,199)	-	(18,199)
Total shareholders' equity	131,950	113,751	162,683	144,484
NTA	131,950	113,751	162,683	144,484
(Loss) / profit after taxation and minority interest	(2,661)	(2,661)	3,107	3,107
Net debt / (Net cash)	20,151	38,350	(14,135)	4,064
Number of shares ('000)	568,710	568,710	568,710	568,710
Financial Ratios				
NTA per share (cents)	23.20	20.00	28.61	25.41
Gross debt gearing (%)	40.55	47.04	0.24	2.81
Net debt gearing (%)	15.27	33.71	(8.69)	2.81
Current ratio (times)	1.68	1.53	3.06	2.11
Earnings before interest, tax, depreciation and amortisation divided by interest expenses (times)	4.31	4.31	161.88	161.88
Basic EPS (cents)				
(before exceptional items)	0.07	0.07	1.76	1.76
(after exceptional items)	(0.47)	(0.47)	0.55	0.55
Return on equity	(2.02%)	(2.34%)	1.91%	2.15%

SHARE PURCHASE MANDATE

(B) Off-Market Purchases

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
As at 30 June 2009				
Issued capital and reserves	131,950	131,950	162,683	162,683
Treasury shares	-	(20,474)	-	(20,474)
Total shareholders' equity	131,950	111,476	162,683	142,209
NTA	131,950	111,476	162,683	142,209
(Loss) / profit after taxation and minority interest	(2,661)	(2,661)	3,107	3,107
Net debt / (Net cash)	20,151	40,625	(14,135)	6,339
Number of shares ('000)	568,710	568,710	568,710	568,710
Financial Ratios				
NTA per share (cents)	23.20	19.60	28.61	25.01
Gross debt gearing (%)	40.55	48.00	0.24	4.46
Net debt gearing (%)	15.27	36.44	(8.69)	4.46
Current ratio (times)	1.68	1.51	3.06	1.95
Earnings before interest, tax, depreciation and amortisation divided by interest expenses (times)	4.31	4.31	161.88	161.88
Basic EPS (cents)				
(before exceptional items)	0.07	0.07	1.76	1.76
(after exceptional items)	(0.47)	(0.47)	0.55	0.55
Return on equity	(2.02%)	(2.39%)	1.91%	2.18%

SHARE PURCHASE MANDATE

(2) Purchases made entirely out of capital and cancelled

(A) Market Purchases

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
	S\$'000	S\$'000	S\$'000	S\$'000
As at 30 June 2009				
Issued capital and reserves / Total shareholders' equity	131,950	113,751	162,683	144,484
NTA	131,950	113,751	162,683	144,484
(Loss) / profit after taxation and minority interest	(2,661)	(2,661)	3,107	3,107
Net debt / (Net cash)	20,151	38,350	(14,135)	4,064
Number of shares ('000)	568,710	511,839	568,710	511,839
Financial Ratios				
NTA per share (cents)	23.20	22.22	28.61	28.23
Gross debt gearing (%)	40.55	47.04	0.24	2.81
Net debt gearing (%)	15.27	33.71	(8.69)	2.81
Current ratio (times)	1.68	1.53	3.06	2.11
Earnings before interest, tax, depreciation and amortisation divided by interest expenses (times)	4.31	4.31	161.88	161.88
Basic EPS (cents)				
(before exceptional items)	0.07	0.08	1.76	1.96
(after exceptional items)	(0.47)	(0.52)	0.55	0.61
Return on equity	(2.02%)	(2.34%)	1.91%	2.15%

SHARE PURCHASE MANDATE

(B) Off-Market Purchases

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
	S\$'000	S\$'000	S\$'000	S\$'000
As at 30 June 2009				
Issued capital and reserves / Total shareholders' equity	131,950	111,476	162,683	142,209
NTA	131,950	111,476	162,683	142,209
(Loss) / profit after taxation and minority interest	(2,661)	(2,661)	3,107	3,107
Net debt / (Net cash)	20,151	40,625	(14,135)	6,339
Number of shares ('000)	568,710	511,839	568,710	511,839
Financial Ratios				
NTA per share (cents)	23.20	21.78	28.61	27.78
Gross debt gearing (%)	40.55	48.00	0.24	4.46
Net debt gearing (%)	15.27	36.44	(8.69)	4.46
Current ratio (times)	1.68	1.51	3.06	1.95
Earnings before interest, tax, depreciation and amortisation divided by interest expenses (times)	4.31	4.31	161.88	161.88
Basic EPS (cents)				
(before exceptional items)	0.07	0.08	1.76	1.96
(after exceptional items)	(0.47)	(0.52)	0.55	0.61
Return on equity	(2.02%)	(2.39%)	1.91%	2.18%

Shareholders should note that the financial effects set out above are purely for illustrative purposes only. Although the proposed Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of its issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of its issued Shares. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the Share Purchase Mandate or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers.

SHARE PURCHASE MANDATE

2.9 Take-over Implications

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

(a) Obligation to make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting capital of the Company of a Shareholder and person acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

(b) Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of the company.

Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert, namely:

- (i) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;
- (ii) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;
- (v) a financial or other professional adviser, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (vi) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;
- (vii) partners; and
- (viii) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

SHARE PURCHASE MANDATE

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

(c) Effect of Rule 14 and Appendix 2

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares:

- (i) the voting rights of such Directors and their concert parties would increase to 30% or more; or
- (ii) in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares:

- (A) the voting rights of such Shareholder would increase to 30% or more; or
- (B) if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months.

Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Based on substantial shareholding notifications received by the Company under Division 4, Part IV of the Companies Act as at the Latest Practicable Date as set out in paragraph 3.2 below, none of the substantial Shareholders would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the purchase by the Company of the maximum limit of 10% of its issued Shares as at the Latest Practicable Date.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.

2.10 Listing Rules

While the Listing Rules do not expressly prohibit purchase of shares by a listed company during any particular time or times, the listed company would be considered an "insider" in relation to any proposed purchase or acquisition of its issued shares. In this regard, the Company will not purchase any Shares pursuant to the Share Purchase Mandate after a price-sensitive development has occurred or has been the subject of a consideration and/or a decision of the Board until such time as the price-sensitive information has been publicly announced. In particular, in line with the best practices guides on securities dealings issued by the SGX-ST, the Company will not purchase or acquire any Shares through Market Purchases during the period of:

- (a) one month immediately preceding the announcement of the Company's annual results; and
- (b) two weeks immediately preceding the announcement of the Company's results for each of the first three quarters of its financial year.

SHARE PURCHASE MANDATE

The Company is required under Rule 723 of the Listing Manual to ensure that at least 10% of its Shares are in the hands of the public. The “public”, as defined under the Listing Manual, are persons other than the directors, chief executive officer, Substantial Shareholders or controlling shareholders of the Company and its subsidiaries, as well as the associates of such persons.

Based on the register of Directors’ shareholdings and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, approximately 155,182,907 Shares, representing 27.3% of the issued Shares, are in the hands of the public. Assuming that the Company purchases its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate, the number of Shares in the hands of the public would be reduced to 98,311,922 Shares, representing 19.2% of the reduced issued share capital of the Company. Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full 10% limit pursuant to the proposed Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity.

In undertaking any purchases or acquisitions of Shares through Market Purchases, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient float in the hands of the public will be maintained so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

2.11 Previous Share Purchases

The Company has not entered into transactions to acquire any Shares pursuant to the 2008 Share Purchase Mandate in the 12 months immediately preceding the Latest Practicable Date.

3. **DIRECTORS’ AND SUBSTANTIAL SHAREHOLDERS’ INTERESTS**

3.1 Directors’ Interests

The interests of the Directors in the Shares as recorded in the Register of Directors’ Shareholdings as at the Latest Practicable Date are set out below:

Director	Number of Shares		Total Percentage Interest (%)
	Direct Interest	Deemed Interest	
Frank Benjamin	-	37,191,000	6.54
Eli Manasseh Benjamin	11,487,050	12,300,000	4.18
Joseph Grimberg	-	500,000	0.09
Keith Tay Ah Kee	256,000	-	0.05
Douglas Jackie Benjamin	120,000	10,000	0.02
Wong Ai Fong	35,000	-	0.01
Karen Chong Mee Keng	-	-	-
Reggie Thein	-	-	-
Chew Kwee San	-	-	-

SHARE PURCHASE MANDATE

3.2 Substantial Shareholders' Interests

The interests of the substantial shareholders of the Company in the Shares as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date are set out below:

Substantial Shareholder	Number of Shares		Total Percentage Interest (%)
	Direct Interest	Deemed Interest	
Lim Eng Hock	65,000,000	29,276,000	16.58
Segulah Pte Ltd	91,937,900	-	16.17
Temasek Holdings (Private) Ltd	-	91,937,900	16.17
DBS Trustee Limited	-	91,937,900	16.17
DBS Group Holdings Limited	-	91,937,900	16.17
DBS Bank Ltd.	-	91,937,900	16.17
Arisaig ASEAN Fund Limited	63,109,000	-	11.10
Arisaig Asia Fund Limited	-	63,109,000	11.10
Arisaig Partners (BVI) Limited	-	63,109,000	11.10
Arisaig Partners (Holdings) Ltd	-	63,109,000	11.10
Skype Partners Limited	-	63,109,000	11.10
Perivoli Trust	-	63,109,000	11.10
Lindsay Cooper	-	63,109,000	11.10
Sannox Trust	-	63,109,000	11.10
Raffles Investments Limited	62,280,000	-	10.95
Aequitas Pte Ltd	-	62,280,000	10.95
Kambau Pte Ltd	-	62,280,000	10.95
Siong Lim Private Limited	-	62,280,000	10.95
Tecity Pte Ltd	-	62,280,000	10.95
Dr Tan Kheng Lian	-	62,280,000	10.95
Aberdeen Asset Management Asia Limited	-	40,025,000	7.04
Aberdeen Asset Management PLC and its subsidiaries	-	40,025,000	7.04
Credit Suisse	-	40,025,000	7.04
Credit Suisse Group AG	-	40,025,000	7.04
Frank Benjamin	-	37,191,000	6.54
Mavis Benjamin	-	37,191,000	6.54

4. ANNUAL GENERAL MEETING

The 2009 AGM of the Company, notice of which is set out in pages 110 to 115 of the 2009 Annual Report, will be held on Monday 26 October 2009 at Lavender Room, Level 3 Orchard Hotel, 442 Orchard Road, Singapore 238879 at 2.30 p.m. for the purpose of, inter alia, considering and if thought fit, passing with or without modifications, the resolution on the renewal of the Share Purchase Mandate as set out in the Notice of AGM.

SHARE PURCHASE MANDATE

5. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interest of the Company. Accordingly, they recommend that Shareholders vote in favour of ordinary resolution number 12, being the ordinary resolution relating to the proposed renewal of the Share Purchase Mandate as set out in the Notice of AGM.

6. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Letter and confirm, having made all reasonable enquires, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Letter are fair and accurate and that there are no material facts the omission of which would make any statement in this Letter misleading.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours up to and including the date of the AGM:

- (a) the Memorandum and Articles of the Company; and
- (b) the 2009 Annual Report.

Yours faithfully
For and on behalf of the Board of Directors of
F J BENJAMIN HOLDINGS LTD

Frank Benjamin
Executive Chairman

SHARE PURCHASE MANDATE

SCHEDULE - DEFINITIONS

In this Letter, the following definitions apply throughout unless the context otherwise requires:

"AGM"	:	The annual general meeting of the Company
"Articles"	:	The Articles of Association of the Company
"Board of Directors"	:	The Board of Directors of the Company
"CDP"	:	The Central Depository (Pte) Ltd
"Companies Act"	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
"Company"	:	F J Benjamin Holdings Ltd
"Director"	:	A director of the Company as at the date of this Letter
"EGM"	:	An extraordinary general meeting of the Company
"EPS"	:	Earnings per Share
"Group"	:	The Company, its Subsidiaries and associated companies
"Latest Practicable Date"	:	18 September 2009, being the latest practicable date prior to the printing of this Letter
"Listing Manual"	:	The Listing Manual of the SGX-ST
"Listing Rules"	:	The listing rules of the SGX-ST as set out in the Listing Manual
"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"Memorandum"	:	The Memorandum of Association of the Company
"NTA"	:	Net tangible assets
"ROE"	:	Return on equity
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Shareholders"	:	Registered holders for the time being of the Shares (other than CDP), or in the case of Depositors, Depositors who have Shares entered against their name in the Depository Register
"Shares"	:	Ordinary shares in the share capital of the Company
"Share Purchase Mandate"	:	A general mandate given by Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in the Letter as well as the rules and regulations set forth in the Companies Act and the Listing Rules

SHARE PURCHASE MANDATE

“Subsidiary”	:	A company which is for the time being a subsidiary of the Company as defined by Section 5 of the Companies Act
“Substantial Shareholder”	:	A person who has an interest or interests in one or more voting Shares in the Company and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all voting Shares of the Company
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended from time to time
“2009 Annual Report”	:	The Annual Report of the Company for the financial year ended 30 June 2009
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“%”	:	Percentage or percentum

The terms “Depositor”, “Depository Register” and “Depository Agent” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

The term “controlling shareholder” shall have the meaning ascribed to it in the Listing Manual.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Letter to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and used in this Letter shall have the meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

Any reference to a time of a day in this Letter shall be a reference to Singapore time unless otherwise stated.

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F J BENJAMIN HOLDINGS LTD

(Co. Reg. No. 197301125N)

(Incorporated In The Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. For investors who have used their CPF monies to buy F J Benjamin Holdings Ltd's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is 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.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

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			

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 on Monday, 26 October 2009 at 2.30 p.m. at Lavender Room, Level 3 Orchard Hotel, 442 Orchard Road, Singapore 238879 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. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

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

No.	Resolutions relating to:	For	Against
1	Directors' Report and Audited Accounts for the year ended 30 June 2009		
2	Payment of proposed first and final dividend		
3	Re-election of Mr Douglas Jackie Benjamin as a Director		
4	Re-election of Mr Wong Ai Fong as a Director		
5	Re-election of Mr Chew Kwee San as a Director		
6	Re-appointment of Mr Joseph Grimberg as a Director		
7	Re-appointment of Mr Frank Benjamin as a Director		
8	Approval of Directors' Fees amounting to S\$250,000 for year ending 30 June 2010		
9	Re-appointment of Messrs Ernst & Young LLP as Auditors		
10	Authority to issue new shares		
11	Authority to issue new shares at discount of up to 20%		
12	Renewal of Share Purchase Mandate		

Dated this _____ day of _____ 2009

Signature of Shareholder(s)

or, Common Seal of Corporate Shareholder

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

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. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 10 Science Park Road #04-01, The Alpha Science Park II, Singapore 117684 not less than 48 hours before the time appointed for the Meeting.
6. 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.
7. 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 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

SINGAPORE

F J Benjamin (Singapore) Pte Ltd

F J Benjamin Lifestyle Pte Ltd

F. J. B. Investment Pte Ltd

F J Benjamin Concepts Pte Ltd

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MALAYSIA

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F J Benjamin Lifestyle Sdn. Bhd.

F J Benjamin Luxury Timepieces Sdn. Bhd.

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Malaysia

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Fax : (60) 3 2031 4405

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Thailand

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F J Benjamin Concepts (Aust) Pty Ltd

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