ANNUAL REPORT 2014/15

FJ BENJAMIN

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CORPORATE PROFILE

With a rich heritage dating back to 1959, SGX-listed F J Benjamin Holdings Ltd is an industry leader in brand building and management, and development of retail and distribution networks for international luxury and lifestyle brands across Asia. Headquartered in Singapore and listed on the Singapore Exchange since November 1996, F J Benjamin has offices in eight cities, manages over 20 iconic brands and operates 218 stores.

The Group employs over 3,000 employees and runs three core businesses:

LUXURY AND LIFESTYLE FASHION RETAILING AND DISTRIBUTION

F J Benjamin exclusively retails and distributes brands such as Banana Republic, Céline, Gap, Givenchy, Goyard, Guess, La Senza, Loewe, Pretty Ballerinas, Raoul, Sheridan, Superdry, Tom Ford, Valextra and VNC across various territories.

TIMEPIECE DISTRIBUTION

F J Benjamin exclusively distributes timepiece brands – Alpina, Bell & Ross, Frédérique Constant, Gc, Guess, Nautica, Superdry, Victorinox Swiss Army and Vulcain across Asia.

CREATIVE & DESIGN

F J Benjamin's Creative & Design division handles the creation and production of Raoul designs.

CORPORATE DIRECTORY

REGISTERED OFFICE

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

Tel: (65) 6737 0155

Fax: (65) 6732 9616

Email: info@fjbenjamin com

Website: www.fjbenjamin.com

DIRECTORS

MR FRANK BENJAMIN
Executive Chairman

MR KEITH TAY AH KEE
Non-Executive Deputy Chairman

MR ELI MANASSEH (NASH) BENJAMIN
Chief Executive Officer

MR DOUGLAS JACKIE BENJAMIN
Executive Director

MS KAREN CHONG MEE KENG
Executive Director

MR NG HIN LEE
Independent Director

MS WONG AI FONG
Independent Director

MR CHEW KWEE SAN
Non-Executive Director

MR DANIEL ONG JEN YAW
Independent Director

COMPANY SECRETARY

MS KAREN CHONG MEE KENG

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

AUDITORS

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner: Mr Vincent Toong Weng Sum
(since financial year ended 30 June 2013)

SOLICITORS

Drew & Napier LLC
10 Collyer Quay
#10-01 Ocean Financial Centre
Singapore 049315

PRINCIPAL BANKERS

Citibank Berhad

DBS Bank Ltd

Malayan Banking Berhad

Oversea-Chinese Banking Corporation Ltd

RHB Bank Berhad

Standard Chartered Bank

The Hongkong and Shanghai Banking Corporation Limited

EXECUTIVE CHAIRMAN'S REVIEW

DEAR SHAREHOLDERS,

The last 12 months have been challenging for the Group. Socio-political factors in the region have dampened consumer spending, alongside decreases in tourist arrivals and sustained depreciation of various regional currencies, all of which have impacted our business. Against the backdrop of these demanding factors, we have taken pro-active steps to rationalise operations, incurring impairment costs for store closures, termination of leases and redundancies. With Group turnover amounting to S$293.4 million, we delivered a reduced loss after tax of S$15.6 million, compared to S$22.1 million in last financial year.

OUR STRATEGY IN SOUTHEAST ASIA

The retail industry in Southeast Asia is evolving rapidly, due to the development and growth of the region. The long-term trend of rising disposable income, along with high regional penetration of digital technology, is creating a discerning "emerging middle class" that is driving changes in consumption patterns, tastes and preferences.

To remain at the forefront of the changing Southeast Asian retail landscape we continue to rationalise our business, including right-sizing our global operations, looking into business channels and rebalancing our brand portfolio in order to ensure we are meeting these changing consumer tastes and preferences. We expect this process to continue into the new financial year. We will continue to adapt and make sound decisions that will allow F J Benjamin to grow sustainably.

FOCUSING ON THE FUTURE

We remain committed to the long-term growth potential of the Southeast Asian region. We are confident that our pro-active and disciplined approach to the management of our brands will be a catalyst for long-term value creation. This is supported by our cautiously optimistic views about prospects for the retail sector in Southeast Asia, which we believe will be revitalised and revert to more normal levels in the mid-to-longer term.

With over 55 years in the industry, we are cognizant that a sustainable growth strategy should be focused on our consumers and partners. F J Benjamin's footprint, heritage and expertise in brand building, coupled with our sustainable growth strategy, will allow us to remain a leader in the retail sector.

Looking ahead, market sentiment in the retail industry is likely to remain muted, at least until there is more certainty in the global markets. In the meantime, the Group will continue to monitor the markets closely and make prudent, well-timed decisions.

APPRECIATION

Having the right team is key to the success of our business. I wish to thank our staff and management who work tirelessly to ensure that F J Benjamin's customers are at the heart of all we do. By continuing to put our consumers at the centre of our business, we will drive operational performance for sustainable and profitable growth and create lasting value for our shareholders and our communities. I also thank our shareholders, customers, banks and business partners for their support through this year and vote of confidence in the Group.

FRANK BENJAMIN
Executive Chairman
F J Benjamin Holdings Ltd

CHIEF EXECUTIVE OFFICER'S REPORT

DEAR SHAREHOLDERS,

FY2014/2015 was a difficult year where we witnessed reduction of business primarily in North Asia, the decline of tourist arrivals and currency depreciation. We have taken pro-active action to rationalise our store portfolio and to trim costs. In doing so we have incurred impairment costs for store closures, early termination of leases and redundancies, and whilst this has negatively impacted our bottom line, this should yield significant improvements in productivity.

PERFORMANCE REVIEW

This year, Group turnover amounted to S$293.4 million and net losses decreased to S$15.6 million, a 29% improvement from the previous year. This is a result of our strategic efforts to focus our businesses in South East Asia. While gross profit declined 15% to S$121.8 million, gross margin improved 2.4 percentage points to 41.5% as a result of lower markdowns and strict inventory management. In July 2015, the Group also outsourced its Singapore Distribution Centre resulting in cost savings.

Net debt has been reduced to S$46.1 million from S$80.0 million in the prior year, reducing gearing to 54%, largely due to the repayment of term loans and bills payable to banks.

In South East Asia, turnover from the fashion business (excluding purchases by the Indonesia associate and discontinued brands) decreased by 8% to S$192.5 million, while the timepiece business rose 5% to S$25.8 million. Purchases by the Indonesia associate declined by 20% as a result of better inventory management.

Domestic sales in Indonesia continued to do well, registering sales growth of 2% despite the challenging trading conditions and a weakening rupiah.

The Group's portfolio currently consists of over 20 iconic brands, operating from 218 stores as of the end of FY2014/15. While the Group's brands enjoy high levels of brand recognition among customers, they have nevertheless been affected by weak consumer sentiment and difficult operating conditions.

CAPTURING OPPORTUNITIES

A key priority of the Group is ensuring a relevant and dynamic portfolio of brands. Keeping in mind our commitment to our customers and partners, we have grown our portfolio of brands this financial year with the addition of Pretty Ballerinas in 3Q2015 and Nootrees, a recently established division of the Group which distributes bio-degradable paper products made from 100% bamboo material.

With the growing level of digital penetration amongst consumers in Southeast Asia, we are examining various ecommerce opportunities as a potential new business channel to complement existing retail sales as well as to increase our market share.

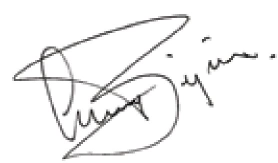
BUSINESS OUTLOOK

Whist we have made good progress thus far, we recognize that there is still more to be accomplished. With the prevailing currency fluctuations and geo-political issues, we expect business sentiment to remain challenging as markets find a new norm. With our rationalisation programme expected to be completed by the end of the first half of FY2015/16, we will continue to proactively manage our brand portfolio to maximize returns and ensure sustainable growth.

We still believe that Singapore, Indonesia and Malaysia offer compelling long term opportunities and are confident that the retail sector in Southeast Asia will revitalize and revert to more normal levels.

APPRECIATION

The Group's employees coped admirably with the challenges that we've faced this year and I wish to thank them for their commitment and passion. I would also like to thank our loyal shareholders, principals, business partners, landlords and customers for their unwavering support as we take the Group into its next phase of growth.



ELI MANASSEH (NASH) BENJAMIN
Chief Executive Officer
F J Benjamin Holdings Ltd

GEOGRAPHICAL PRESENCE

RETAIL FOOTPRINT

	FY 2013	FY 2014	FY 2015
Singapore	35	40	37
Malaysia	67	73	69
Indonesia	106	112	112
Hong Kong	4	1	–
Total	**212**	**226**	**218**

CORPORATE STRUCTURE

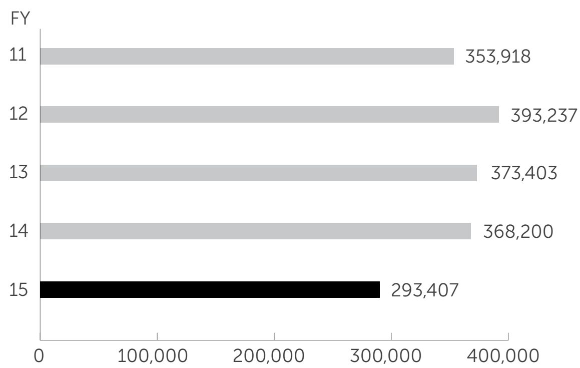
F J BENJAMIN HOLDINGS LTD

- SOUTHEAST ASIA
  - Singapore
    - F.J.B. Investment 100%
      - F J Benjamin (Singapore) 100%
      - F J Benjamin Lifestyle 100%
      - Nootrees Pte Ltd (formerly F J Benjamin Leading Watch Concepts) 100%
    - F J Benjamin Concepts 100%
      - F J D 48%
    - F J Benjamin Ideas 100%
      - Devil's Bar 50%
    - Fashion Dynamics International 100%
      - Fashion Dynamics Singapore Pte Ltd 100%
  - Malaysia
    - F J Benjamin (M) 100%
      - F J Benjamin Lifestyle 100%
    - F J Benjamin Luxury Timepieces 100%
  - Thailand
    - F.J.Benjamin Concepts (Thailand) 100%
  - Indonesia
    - PT Meteor Prima Sejati Group of Companies 100%
- NORTH ASIA
  - Hong Kong
    - F J Benjamin (H.K.) 100%
      - F J Benjamin (Shanghai) 100%
    - Ferro Designs 100%
    - BMI (Hong Kong) 100%
    - Fashion Dynamics HK Ltd 100%
      - Fashion Dynamics (Shenzhen) 100%
  - Taiwan
    - F J Benjamin (Taiwan) 100%
- EUROPE
  - Italy
    - F J Benjamin Italy S.R.L 100%
- AUSTRALIA
  - F J Benjamin (Aust) 100%
- USA
  - F. J. Benjamin Fashions (US) 100%

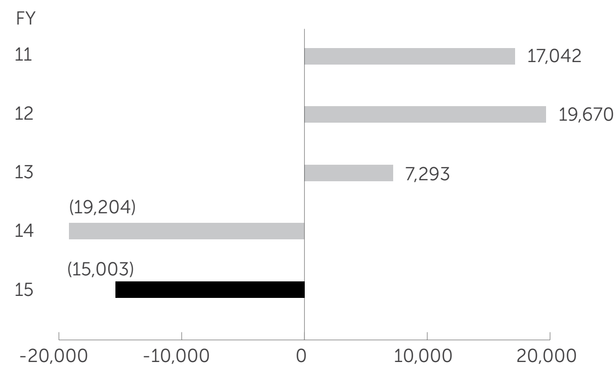
Active | Investment Holding | Dormant

GROUP FIVE-YEAR FINANCIAL SUMMARY

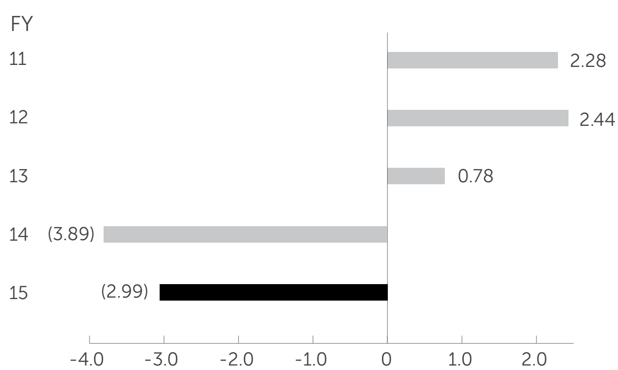
TURNOVER ($'000)



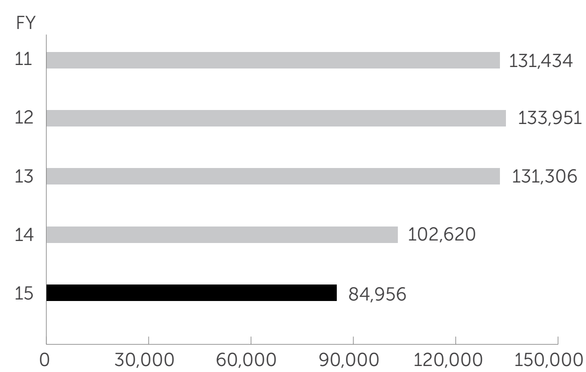
PROFIT/(LOSS) BEFORE TAXATION ($'000)



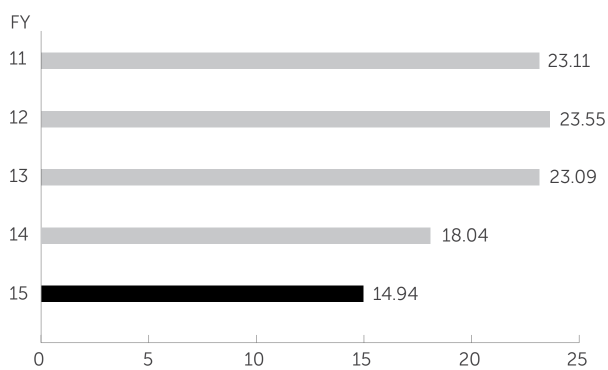
BASIC EARNINGS / (LOSS) PER SHARE (CENTS)



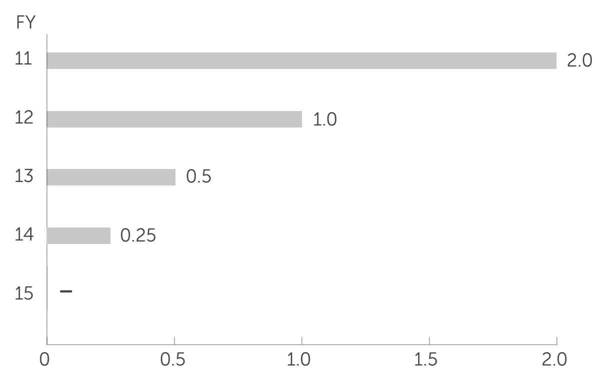
SHAREHOLDERS' EQUITY ($'000)



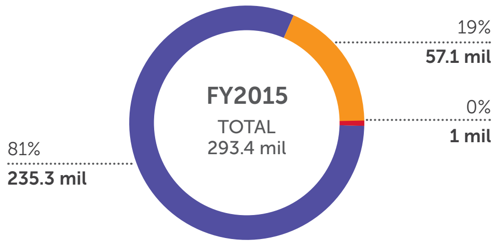
NTA PER SHARE (CENTS)

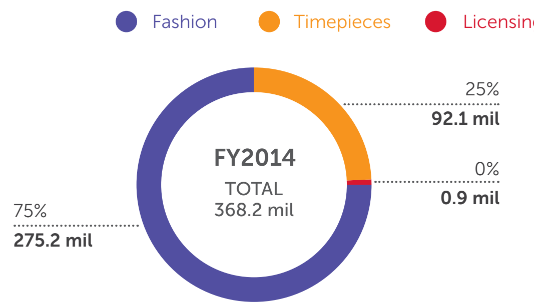


DIVIDEND PER SHARE (CENTS)

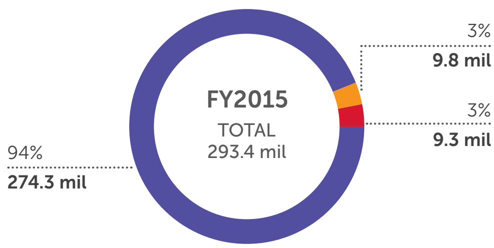


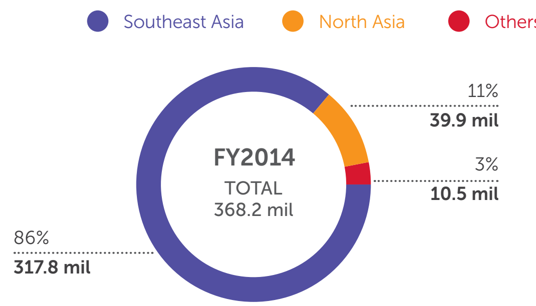
TURNOVER BY BUSINESS SEGMENT





TURNOVER BY GEOGRAPHICAL SEGMENT





	2011 $'000	2012 $'000	2013 $'000	2014 $'000	2015 $'000
PROFIT & LOSS					
Turnover	353,918	393,237	373,403	368,200	**293,407**
Operating Profit / (Loss) before Borrowing Costs	17,331	21,757	9,833	(13,946)	**(13,932)**
Borrowing Costs	(1,775)	(2,663)	(3,307)	(3,572)	**(3,227)**
Share of Results of Associates	1,486	576	767	(1,686)	**2,156**
Profit / (Loss) Before Taxation	17,042	19,670	7,293	(19,204)	**(15,003)**
Profit / (Loss) After Taxation and Non-controlling Interest	12,963	13,898	4,447	(22,102)	**(16,988)**
Basic Earnings / (Loss) Per Share (cents)	2.28	2.44	0.78	(3.89)	**(2.99)**
Operating Margin (%)	5.1%	5.6%	1.9%	-3.4%	**-4.7%**
BALANCE SHEET					
Non-Current Assets	44,432	61,920	55,648	50,058	**56,217**
Net Current Assets	90,859	81,942	82,834	62,622	**32,158**
Shareholders' Equity attributable to equity holders of the Company	131,434	133,951	131,306	102,620	**84,956**
Net Debt	7,259	52,108	69,328	80,029	**46,064**
Return on Equity (%)	9.9%	10.4%	3.4%	-21.5%	**-20.0%**
Net Debt to Equity	0.06	0.39	0.53	0.78	**0.54**
Net Tangible Assets Per Share (cents)	23.11	23.55	23.09	18.04	**14.94**
Dividend Per Share (cents)	2.00	1.00	0.50	0.25	**–**

BOARD OF DIRECTORS

MR FRANK BENJAMIN

Date of appointment as Director: 5 June 1973
Date of last re-election: 20 October 2014
Nature of appointment: Executive
Board committees served on: Executive Committee (Chairman) and Nominating Committee

Mr Frank Benjamin is the Executive Chairman and founder of F J Benjamin. With more than 50 years of experience in the retail industry, Mr Benjamin formulates the Group's strategy for growth and future expansion into new markets. He is also responsible for defining the overall strategy and vision of the Group, and oversees developmental activities to create long-term growth drivers and enhance shareholder value.

MR KEITH TAY AH KEE

Date of appointment as Director: 1 August 1996
Date of last re-election: 20 October 2014
Nature of appointment: Independent

Board committees served on: Executive Committee, Nominating Committee (Chairman) and Remuneration Committee

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

He is Chairman of Stirling Coleman Capital Ltd. He sits on the boards of Rotary Engineering Limited, Singapore Reinsurance Corporation Ltd, Singapore Post Limited and YTL Starhill Global REIT Management Limited.

MR ELI MANASSEH (NASH) BENJAMIN

Date of appointment as Director: 26 July 1973
Date of last re-election: 31 October 2013
Nature of appointment: Executive
Board committees served on: Executive Committee

Mr Eli Manasseh (Nash) Benjamin is the Chief Executive Officer of the Group, and has been with F J Benjamin since 1968. He has over 40 years of experience in the fashion retail and timepiece distribution businesses. He is involved in the formulation of long-term corporate strategies and policies of the Group, maintains a close relationship with all the Group's principals and oversees the business development arm of the Group.

In 2007, Nash was awarded the Ernst & Young Entrepreneur of the Year Award in the Lifestyle category. He also won the Chief Executive Officer Award (market cap. below S$300 million) in 2009 at the Singapore Corporate Awards.

Mr Benjamin sits on the board of the National Museum of Singapore.

MR DOUGLAS BENJAMIN

Date of appointment as Director: 3 November 2000
Date of last re-election: 20 October 2014
Nature of appointment: Executive
Board committees served on: Executive Committee

With F J Benjamin since 1989, Mr Douglas Benjamin is the Chief Operating Officer of the Group. He works closely with Nash Benjamin to coordinate the Group's activities. In addition, he directs the international expansion of house label Raoul.

In 2012, Douglas was awarded the Ernst & Young Entrepreneur of the Year Award in the Lifestyle and Retail category.

Mr Douglas Benjamin sits on the board of trustees for the KK Hospital & Health Endowment Fund.

BOARD OF DIRECTORS

MS KAREN CHONG MEE KENG

Date of appointment as Director: 1 April 2005
Date of last re-election: 20 October 2014
Nature of appointment: Executive
Board committees served on: Executive Committee

Ms Karen Chong is the Chief Financial Officer and Company Secretary of the Group. She has been with the Group since 1997. She is a Fellow of CPA Australia, Association of Chartered Certified Accountants and a Fellow member of the Institute of Singapore Chartered Accountants. Prior to joining the Group, she was with a public accounting firm for several years and had accumulated more than 20 years of financial and operational experience in the local and overseas retail industry.

MR NG HIN LEE

Date of appointment as Director: 11 July 2014
Date of last re-election: 20 October 2014
Nature of appointment: Independent
Board committees served on: Audit Committee (Chairman)

Mr Ng has more than 30 years of financial experience and is a Fellow member of the Institute of Singapore Chartered Accountants. Prior to joining the Group, he was the Chief Financial Officer of Singapore Post Limited, Advanced Systems Automation Limited and Gul Technologies Singapore Limited where he was also the co-founder, Executive Director and member of the Audit Committee and Investment Committee. He currently sits on the boards of two non-listed companies.

MS WONG AI FONG

Date of appointment as Director: 3 November 2000
Date of last re-election: 25 October 2012
Nature of appointment: Independent
Board committees served on: Audit Committee and Remuneration Committee (Chairman)

Ms Wong Ai Fong was formerly the General Manager of Marketing Communications, responsible for leading the Group's marketing and public relations in Singapore as well as its regional markets between 1994 and 2000. Ms Wong was previously Director of Communications, Nokia Asia Pacific for over 10 years. She has more than 20 years of marketing and communications experience in various industries including financial services, media, entertainment and publishing as well as arts and culture.

MR CHEW KWEE SAN

Date of appointment as Director: 3 November 2008
Date of last re-election: 25 October 2012
Nature of appointment: Non-Executive
Board committees served on: Audit Committee and Remuneration Committee

Mr Chew is the Executive Director of the Tecity Group and Council Member of the Tan Chin Tuan Foundation. The Tecity Group was founded by the late banker and philanthropist, Tan Sri (Dr) Tan Chin Tuan; its philanthropic arm is the Tan Chin Tuan Foundation.

He sits on the boards of Malaysia Smelting Corporation Bhd and the National Council of Social Service.

MR DANIEL ONG JEN YAW

Date of appointment as Director: 30 November 2011
Date of last re-election: 25 October 2012
Nature of appointment: Independent
Board committees served on: Audit Committee and Nominating Committee

Mr Ong is the Executive Director of food and beverage company, Sushi-Tei Pte Ltd. Mr Ong has over 20 years of working experience in diverse fields ranging from banking and finance, property investment and development, manufacturing, cruise operations and food and beverage business.

SENIOR MANAGEMENT

SINGAPORE

IAN LIM
Chief Executive Officer
F J Benjamin (Singapore) Pte Ltd

Mr Lim joined the Group in 2009 with 15 years of experience in the fashion and retail industry. Mr Lim is responsible for the operations and business development in Singapore. He also heads the Group's Gap and Banana Republic and La Senza businesses in Singapore, Malaysia and Indonesia.

ODILE BENJAMIN
Creative Director
Fashion Dynamics Singapore Pte Ltd

Mrs Benjamin joined the Group in 1993 and heads the Creative & Design division, which is responsible for the design and development of in-house label Raoul. Mrs Benjamin has been instrumental in the brand-building, strategic and operational direction of the brand.

SAMUEL BENJAMIN
Director – Luxury Fashions and Timepieces

Mr Benjamin joined the Group in 1991. He was appointed Senior Vice-President of F J Benjamin Fashions (U.S.) Inc. in 2009 and was responsible for the New York office and the Raoul operations in the United States. He relocated back to Singapore in November 2012.

Mr Benjamin now oversees the operations of the luxury fashions and timepiece businesses in the region.

GILLES MANGIN
General Manager – Timepieces
F J Benjamin (Singapore) Pte Ltd

Mr Mangin joined the Group in 2015 with more than 18 years of experience in the timepiece industry.

Mr Mangin is responsible for timepiece business in Singapore, Thailand and Indonesia. Based in Singapore, he oversees the overall operations of the businesses in these markets, including sales, brand-building and growth of the distribution network.

BEN BENJAMIN
Director – Corporate Strategy & Business Development
F J Benjamin Holdings Ltd

Mr Benjamin joined the Group in 2005 and was responsible for the overall business operations of the Group's luxury brands as well as the development and identification of new brands for the luxury fashions division.

Mr Benjamin now oversees the corporate strategy and business development for the Group.

MALAYSIA

OON LAI YEOH
Chief Executive Officer
F J Benjamin (M) Sdn. Bhd.

Mr Yeoh joined the Group in 2012 with more than ten years of experience in fashion retailing. He is responsible for the operations of F J Benjamin (M) Sdn. Bhd. and its subsidiaries.

SOON WAI HOOI
Chief Operating Officer /
Chief Financial Officer
F J Benjamin (M) Sdn. Bhd.

Mr Hooi joined the Group in 2010 and oversees the operations as well as the financial and accounting functions of the Group's entities in Malaysia.

CHEE WEI TONG
General Manager – Timepiece Division
F J Benjamin (M) Sdn. Bhd.

Mr Tong joined the Group in 1992 and is responsible for the business operations, sales and marketing of the luxury timepieces in Malaysia.

HONG KONG / CHINA / TAIWAN

AMY CHU
General Manager
F J Benjamin (H.K.) Limited
F J Benjamin (Taiwan) Ltd
F J Benjamin (Shanghai) Co., Ltd.

Ms Chu has been with the Group since 2003 and is responsible for the operations, marketing and distribution of the timepiece business in Hong Kong, Macau, China and Taiwan.

LYDIA CHAU
Chief Financial Officer
F J Benjamin (H.K.) Limited

Ms Chau joined the Group in 1996 and is responsible for overseeing the operations in Finance, Logistics, Information Technology and Administration in Hong Kong, China and Taiwan.

BRAND HIGHLIGHTS

CÉLINE

Céline's collection of ready-to-wear, leather goods, shoes and accessories, perpetuates a sense of subtle luxury which originated from Céline Vipiana, the label's founder. The French luxury fashion house founded in 1945 is now owned by the LVMH Moët Hennessy Louis Vuitton Group.

Since her appointment as Creative Director in 2008, Phoebe Philo has been credited for reviving the sartorial sparkle of Céline with her designs that focus on proportion, line, cut and silhouette. Céline is a trendsetter in the fashion industry and has built up a proud cachet of statement making accessories and bags. The brand is celebrated by opinion leaders, fashion-influencers and insiders, and Céline consumers. As at June 30, 2015, there are three Céline boutiques across Southeast Asia – two in Indonesia and one in Malaysia.

GIVENCHY

Givenchy, the French luxury label owned by LVMH Moët Hennessy Louis Vuitton, was founded in 1952 by Hubert de Givenchy. Since taking on the reigns as Creative Director in 2005, Riccardo Tisci has given a new breath to the Givenchy collections with designs infused with modern couture style. Dark romanticism flows through both the womenswear and menswear collections, with creative touches that evoke a celebration of love, religion and an artistic union of masculine and feminine elements. An appointed franchisee for the past five years, F J Benjamin has played a significant role in the expansion of two Givenchy stores in Singapore, and one in Indonesia.

Since its beginnings in 1792, Goyard has been the archetypal luxury trunk manufacturer in France. The brand was born through Francois Goyard's apprenticeship at Maison Morel, the official trunk maker to the French royalty. After Morel's passing in 1853, Francois Goyard took over the business and renamed it La Maison Goyard.

Under Francois's son, Edmond, La Maison Goyard became 'the' luggage-maker of the international set. As proof of its prestige, aristocratic families would have their Goyard luggage marked with their own coat of arms.

In 1998, Jean-Michel Signoles, an entrepreneur who created French children's clothing brand Chipie, bought over the 150-year old label from descendants of its original founders. He introduced new colors – such as white, blue and green to brighten Goyard's traditional collection of dark colours.

Goyard is known for its hard-sided trunks and tote bags with its signature hand-painted chevron motif, which has been its definitive emblem since 1892. It is also renowned for monogramming its durable, lightweight bags with the initials of their customers upon request. Goyard's waterproof luggage bags are constructed of lightweight poplar and strong birch, with nickel hardware and leather trim. The fabric is made of linen, cotton and hemp woven together, and carefully treated in a painstaking manual process in its workshop at Carcassonne, France. The same workshop continues to produce special made-to-order bespoke pieces.

The brand has since grown to expand its repertoire to beyond trunks, and today produces a collection of bags and small leather goods alongside its classic trunk range.

The Goyard boutique in Singapore opened in December 2013 at Ngee Ann City shopping centre.

LOEWE

MADRID
1846

The Spanish leather luxury brand Loewe opened a store in Kuala Lumpur in the Pavillion shopping mall. The store was designed by Peter Marino, the world renowned architect who specializes in retail spaces for luxury fashion brands. Loewe's heritage and luxury appeal were the main inspirations for the concept.

The store offers bags along with small leather goods and accessories for men and women. Signature collections such as the iconic Amazona, created in 1975 and still highly sought after today, as well as the Flamenco, inspired by a design from the late 1980's, is on display along with the latest offerings. Loewe was founded five generations ago in Madrid as a leather workshop dedicated to crafting exquisite creations for the nobility of the day. Craftsmanship, progress and unequalled expertise with leather, Loewe's founding pillars are reconfigured with a timeless awareness evident in desirable and functional products across multiple categories.

Under Jonathan Anderson, Loewe's Creative Director, the brand started a new chapter, presenting itself to the world more multi-faceted and dynamic than ever. Streamlined, ultrasoft renditions of the famous Amazona and Flamenco are among the most coveted bags, while the Puzzle, a completely new bag design by Anderson, adds a novel character to Loewe's range of iconic accessories, pairing of-the-moment functionality and aesthetics with ingenious construction and incredible softness.

PrettyBallerinas

Spanish footwear brand, Pretty Ballerinas, has taken its first major step into Singapore. With almost 100 shops all over the world including Tokyo, Hong Kong, London, Milan and New York, Pretty Ballerinas has finally launched its first boutique on Orchard Road, Singapore.

F J Benjamin, appointed exclusive franchisee for the brand opened its Singapore store at 290 Orchard Road, #02-49, Paragon Shopping Centre Paragon S.C., which officially commenced business on 7 February 2015.
Pretty Ballerinas is better known for its ballerina-styled shoes and is one of the brands of the Mascaró family, a prestigious Spanish shoemaker that is popular in Spain and abroad. Mascaró was founded in Ferreries (Menorca) in 1918 as a workshop making handmade ballet slippers.

Today, Pretty Ballerinas has been a real revolution and has become one of the favourite shoes of celebrities over the world. Still to this day, the footwear is ethically sourced and hand-made on the Island of Menorca, Spain. The fine footwear is known for its huge array of styles and colours and the unusual way materials are combined.

Pretty Ballerinas has been photographed on the most fashionable and influential celebrities, including supermodels Kate Moss, Claudia Schiffer and Elle Macpherson. Other celebrities photographed wearing Pretty Ballerinas include Angelina Jolie, Lindsay Lohan, Lily Allen, Katherine Heigl, Kylie Minogue and Kelly Osborne.

RAOUL

Since its international debut at the 2010 New York and Paris Fall/Winter shows, Raoul has been recognized by those in the upper echelons of fashion for its sleek take on contemporary affordable luxury.

As the creative force behind the label, Odile Benjamin's inspiration for the Raoul woman is a multitasking, confident and accomplished individual who curates an easy and vivid style that is always perfectly pitched. Every collection is subject to vigorous refinement until Odile is certain that each piece has a place in the Raoul woman's wardrobe of hardworking favourites.

Raoul is currently available in the fashion capitals of Paris, Milan, London and New York through selected retailers. Raoul is also retailed online via notable portals and webstores. Celebrities such as Rebecca Romijn, Jennifer Lawrence, Lea Michele, Kelly Rutherford, Pixie Lott, and royalty including The Duchess of Cambridge, Kate Middleton, have been seen wearing Raoul.

TOM FORD

The TOM FORD boutique which opened in Singapore on 29 April 2014 at The Shoppes at Marina Bay Sands is modelled after the brand's New York flagship, carrying the complete range of TOM FORD men's and women's ready-to-wear and accessories, eyewear, fragrance, beauty and fine jewellery. The elegant and private environment, beautifully outfitted in the signature palette of greys and deep browns with chrome and glass accents, surrounds the visitor in an atmosphere of exclusivity and refined comfort.

In March 2015, Made-to-Measure service was introduced for the first time in Singapore. Inspired by the great sartorial traditions of English and Italian menswear, and created using the centuries-old craftsmanship of Italy, each private 90-minute appointment with the Made-to-Measure Specialist offers a complete world of deeply personalized luxury, reinvented for the discerning gentleman.

Valextra

Founded in 1937 by Giovanni Fontana in Milano, Valextra combines the delicate craft of ancient saddlery with timeless, understated styles in luxury bags, travel cases and accessories. Valextra is also recognised for its innovation: many Valextra pieces have become historical best-sellers and icons of design. They include the award-winning "24 Hour Bag" that was exhibited at MOMA, New York, the first ever "Grip Spring" coin purse for men, and the "Avietta 48", one of the most coveted airplane cabin bags. The Singapore boutique located at Paragon, carries Valextra's range of luxurious handbags, wallets and luggage for both women and men. A Valextra creation is recognised for its quality, clean lines, discreet details such as the thread used for stitching, hand-lacquered piping, soft light-coloured leather lining and hardware accents finished in an array of more than 20 colours. Valextra is produced only in Italy by a team of 60 highly skilled craftsmen.

BANANA REPUBLIC

EST. 1978 | SAN FRANCISCO

To kick off the new fiscal year, Banana Republic launched a collaboration with celebrated designer, Roland Mouret, on a capsule collection that highlighted his keen understanding of fit and the female form through the use of Banana Republic's signature Sloan fabric. The Roland Mouret for Banana Republic collection pushed fashion and function with must-have additions for a stylish modern wardrobe. With that in mind, Singapore, Malaysia and Indonesia ran exclusive shopping events for customers to discover more about the capsule collection and learn how-to tips from locally renowned stylists over champagne and canapes.

Transitioning to Holiday 2014, Banana Republic banked on the idea of spreading love, joy and hope through a gifting programme, XO Days, which rewarded customers with specially curated gifts when they hit a certain qualifier across Singapore, Malaysia and Indonesia.

Spring 2015 started to show some influences from the newly appointed Creative Director, Marissa Webb, where relaxed style was evident in the collection with easy pairing pieces in modern shapes and neutral shades, and on-the-go denim that came in new fits, washes and styles. In essence, it celebrated authenticity with style and the California state of mind, which are core qualities that define Banana Republic.

Inspired by the brand's rich heritage in travel and safari, Marissa Webb launched her very first collection for Banana Republic in Summer 2015. With the aim of positioning Banana Republic as the destination for modern American style, she created versatile Summer wardrobe signature pieces that ranged from utility blazers/jackets, oversized tunic shapes to soft dresses. To commemorate this launch, Singapore ran a 360 marketing campaign with one of the top local magazines, Female, to drive awareness, encourage media engagement and spur spending via its plethora of activities.

Gap introduced a brand new campaign, "Dress Normal", in Fall 2014, which rallied customers to be confident in who they are by dressing how they are most comfortable. Renowned celebrity names, such as, Anjelica Huston, Michael K. Williams, Elisabeth Moss and Jena Malone, were handpicked to front the campaign for the season. To bring this to life in Singapore, Gap partnered with Style X Style and local influencers, Andrea Chong and Linda Hao, to get followers to share their #OOTD entries. A competition was run for a chance to be styled by Andrea Chong and Linda Hao, and invited them to "Picture Your Normal" to find out more about their take on "Dress Normal" and styling tips at Gap Plaza Singapura.

On top of that, Gap announced the eighth annual Best New Menswear Designers in America. This project came to fruition in 2007 with the intention of bringing attention to up-and-coming American menswear designers. The Class of 2014 included John Moore from M.Nii, Rob Garcia from En Noir, Daniel Lewis from Brooklyn Tailors and John Elliott from John Elliott + Co. The limited edition Gap x GQ collection was available in Singapore, Malaysia and Indonesia and was well received by customers.

Holiday 2014 saw an extension of "Dress Normal", which focused on the idea of spreading love with its tongue-in-cheek "You Don't Have To Get Them To Give Them Gap" slogan. It was built upon the idea of getting back to what matters most, which Gap had introduced earlier in Fall 2014. An array of exclusive events with Holiday specials, ranging from free gift wrapping services to live acoustic Christmas sets, were run at key flagship stores across Singapore and Malaysia to celebrate the beloved festive period with customers and their loved ones. At the same time, Singapore, Malaysia and Indonesia launched a gifting application across Facebook pages to give fans an idea of what to buy for their loved ones during the Holiday season.

"Spring Is Weird" was the main creative force in Spring 2015 that pushed the brand to portray itself as the antidote to a season, where anything could go wrong at any one time. To help push the new denim product and continually raise the #1969denim profile, Singapore, Malaysia and Indonesia ran a regional denim activity, where customers got to try on the new Resolution Denim and enjoy a discount off their denim purchases throughout the season. In addition, Malaysia tied up with Cleo to sponsor its signature event, Cleo's 50 Bachelors, efforts to resonate with its target audience via local experiential activities.

To end the year with a bang, Summer 2015 was filled with various activities to keep customers engaged. Gap Singapore tied up with Kith for the first time, with an Instagram contest that saw more than 350 followers sharing their love for food to win prizes and a one-of-a-kind pop-up coffee bar at Gap VivoCity to reward shoppers with free Summer treats. On a regional basis, Casting Call returned in 2015 and saw more than 2,000 entries in the running to be the next faces of GapKids and babyGap.

GUESS

Established in 1981 by the Marciano brothers, GUESS began as a jeans company and has since successfully grown into a global lifestyle brand. Today GUESS designs, markets, distributes and licenses a lifestyle collection of contemporary apparel, denim, handbags, watches,footwear and accessories. Throughout the years, the GUESS image has been portrayed in unforgettable, innovative campaigns that have made the brand a household name. GUESS became a symbol of a young, sexy and adventurous lifestyle. Throughout the decades, GUESS made its presence known in the fashion industry and strengthened its brand image with its iconic and timeless advertising campaigns. GUESS is also notorious for moulding unknown faces into famous models.

Today with a long standing partnership between F J Benjamin and GUESS Inc., the retail footprint of GUESS has far extended from the single modest store at WismaAtria in Singapore dating back in May 1991 to a total of 90 stores across Southeast Asia.

GUESS is presented in four separate retail categories –GUESS, GUESS Accessories, GUESS Kids and GUESS Footwear. As of June 30, 2015, these GUESS retail stores are available with 9 stores located in Singapore, 35 in Malaysia and 47 in Indonesia.

In the new financial year, the F J Benjamin Group will continue to enhance the brand and refresh key stores in the region with the introduction of its latest retail concepts.

GUESS ACCESSORIES

With a comprehensive collection of watches, bags, shoes, jewellery, sunglasses and perfume, the Guess Accessories Store (GAS) concept has established itself as a leader in providing a one-stop fashion accessories services to the customer. Since its debut in 2005, the Group has rapidly established its presence with 38 stores across Singapore, Malaysia and Indonesia as at 30 June 2015.

The Guess Accessories Store continues to reinvent itself and refresh its store concept and product offering to complete the lifestyle needs of an aspirational young adult.

With the success of the "Black Concept", first introduced in December 2010, all GAS stores have since converted to the concept. The "Black Concept" incorporates many innovative and progressive ways of displaying products, such as using black mannequins, fibre optic lighting, and even a special concept "runway" table.

La Senza

LA SENZA is where party girls go for the hottest lingerie at great value.

LA SENZA offers women a unique shopping experience, with the trendiest lingerie presented in a fun and sexy environment: featuring bras, panties and playfully sexy lingerie.

Since the first store opening in 1990, LA SENZA has maintained a focused vision of trendy, affordable lingerie for the International party girl. The LA SENZA brand name has become synonymous with high emotion, fast fashion and affordability.

As at June 30 2015, the Group operated six stores in Singapore, 12 stores in Malaysia & 12 stores in Indonesia.

極度乾燥(しなさい) Superdry.

Born of an inspirational trip to Tokyo, Superdry was created in 2003 by Julian Dunkerton and James Holder – who are both still the lifeblood of the brand today. Superdry is a true British fashion success story with a brand DNA synonymous with intricately detailed design, premium fabrics and British tailored cuts. With its roots based around Japanese imagery and vintage American sportswear, Superdry has evolved into the most diverse British lifestyle brand with a true global reach.

From its British beginning to its Global reach, the initial collection of five t-shirts, which included the iconic Osaka 6 worn by David Beckham, has grown into seasonal collections comprising thousands of items and over 500 distinctive logos. Today, Superdry has true global reach and a cult celebrity following. Collections of depth and style are sold via more than 400 global retail points, from Europe and Asia to the US and Canada.

In 2011, collaboration with British classic car manufacturer, the Morgan Motor Company, gave rise to a limited-edition sports car that embodied design and authenticity.

Autumn Winter 2014 saw the launch of Superdry Snow – a range of high-performance technical ski and snowboard wear. With Superdry Sport new for Summer 2015, and the Idris Elba + Superdry collaboration launching in Autumn 2015, the brand takes design excellence and fearless attitude into new territory.

With exciting Global expansion planned with bold collections pushing the brand forward each season, Superdry's status as one of the world's most aspirational lifestyle and innovative lifestyle brands will continue to soar.

A playground for shoe lovers and addicts, VNC was among the first Asian brands to push the boundaries in footwear by introducing hot off the runway styles at incredibly affordable prices. VNC approaches shoe making as an art form and design challenge. Drawing inspiration from the great maisons, fashion week events and up-to-the-minute fashion news, VNC creates footwear that is distinctive, desirable and on trend. The same approach is also extended to the bags and accessories collections. By adhering to affordability, trendiness and a quick-to-market strategy, VNC is today an iconic brand with a huge global following of adoring shoes enthusiasts.

VNC continues to sustain worldwide rapid growth and is gaining a strong base of worldwide consumers. Currently with nine stores available in two main cities in Indonesia, VNC aims to cater to the needs of the female customer from different age groups to look their trendiest when it comes to shoes, handbags and accessories. With a couple of new stores planned to open in some of the biggest malls across Indonesia in the near future, VNC hopes to reach out to more customers in Indonesia. VNC has created a newly designed concept for these stores that reflects modern style and premium quality of the brand.

VNC

SHERIDAN

For over 20 years, F J Benjamin has distributed exclusive Sheridan home furnishings to fine stores across Southeast Asia. Devoted to great design, quality and innovation, Sheridan elevates the experience of the home to a place of self-expression and luxury. Sheridan employs the finest materials and construction, offering bed linen with up to 1,200 thread count. As at June 30 2015, the points-of-sale in Southeast Asia include Singapore, Malaysia, Philippines and Indonesia.

Bell & Ross

TIME INSTRUMENTS

"Because he wants to reach for stars and explore the ocean depths, because he lives out his passions to the full, man has always measured himself against time. To turn a few seconds into a moment of eternity" – A phrase that epitomizes the drive behind Bell & Ross in their endeavor to create exceptional watches.

Bruno Belamich, the Artistic Director and Carlos Rosillo, the CEO, are the people behind Bell & Ross. Together they founded Bell & Ross; a name made up of each part of their surnames. Its headquarters are in France and its distribution network stretches over 42 countries around the world covering Europe, America and Asia.

Bell & Ross are extraordinary watches, created for people of the extremes. Pilots, divers, sailors and astronauts all choose functionality and legibility, which are the strengths of Bell & Ross watches. Whether they are flying at high altitude, diving into the ocean depths, exposing themselves to extreme temperatures or resisting the strongest acceleration, the very best time-measuring instruments are essential.

Bruno Belamich distinctly defines the basis of a Bell & Ross watch as he says "The aesthetics of our watches stem from a principle that is dear to all designers: function determines form." Designed so that each function is optimized and to ensure that the essential is never compromised by the superfluous, Bell & Ross watches are, above all, authentic. There are no meaningless details, each serves a purpose. A Bell & Ross timepiece is created based on four crucial elements – readability, performance, precision and water-resistance.

In 2015, Bell & Ross celebrates 10 years of its iconic model by presenting an exclusive watch: the "BR 01 10th Anniversary". Engraved and numbered, this limited edition of 500 watches is the ultimate expression of the evolution that has transformed a cutting-edge watch into this now iconic model.

Alpina
1883 GENEVE

Alpina, famous for its red triangle signature, is a fine watch manufacturer based in Geneva, Switzerland. Founded in 1883, Alpina's watch making history spans more than 130 years.

From the very beginning as far back as 1883, Alpina has been associated with horological innovation. Whether it was their innovative way of creating an excellent working environment, or through the introduction of new quality control criteria before anyone else, Alpina has always sought ways to improve how things are done.

A true pioneer of the Swiss watchmaking industry, Alpina has been the source of numerous innovations, patents and calibers. With the birth of its legendary Alpina 4 in 1938, Alpina invented the concept of the sport watch, as we know it today. Faithful to its long tradition of creating mechanical calibers, Alpina manufactures, in its Geneva manufacturing facility, four movements in-house.

Alpina's mission is to design and engineer luxury sport watches that operate with the greatest precision and reliability possible in the most demanding sporting environments, like the Alps.

FREDERIQUE CONSTANT
GENEVE

Frédérique Constant is a family owned watch manufacturer based in Plan-les-Ouates, Geneva, Switzerland. Aletta Bax and Peter Stas, the founders of the brand, launched their first collection in 1992, comprising six models fitted with Swiss movements and assembled by a watchmaker in Geneva. Frédérique Constant is involved in all the stages of watch production, from initial design to final assembly and quality control. Frédérique Constant develops, manufactures, and assembles in-house calibers. Its watches are characterized by their high quality, differentiation and precision in design and manufacture. Their perceived value, through quality of design, materials and manufacture, is a key component of their success.

Watches manufactured under its trademark are either designed by Frédérique Constant or by independent designers contracted for a specific series of models. Strong emphasis is placed on watch design to keep abreast of trends and customer preferences. Frédérique Constant uses cutting-edge computer software, principally computer aided design software, to assist in the watch design and development process.

Frédérique Constant's slogan "Live your passion" is definitely shown through their craftsmanship as well as their charitable donations. USD 50 from each watch sold in the Double Heart Beat Collection is donated to various heart and child related charities.

LET MORE PEOPLE ENJOY LUXURY

Their mission is not to restrict the interest in Frédérique Constant watches to a limited and elitist circle of connoisseurs but rather to a broader selection of appreciative enthusiasts who want to enjoy high quality classical watches at sensible prices.

Frédérique Constant introduces the first Swiss Horological Smartwatches in 2015. With the introduction of this collection, the Swiss Watch Manufacturer has managed to preserve its design spirit in offering a classic Swiss watch while at the same time, integrating MotionX technology into the watch. The Horological Smartwatch is the synthesis of high-tech innovation and traditional Swiss watch craftsmanship.

Gc

SMART LUXURY™

Gc is distributed in 70 countries worldwide including its own network of boutiques. Gc offers a unique combination of expressive European design, full of attention to detail, and prestige materials to fashion savvy quality seeking clientele. All timepieces are equipped with a Swiss precision movement. Gc customers are proud of their fashionable choice and for many GUESS aficionados, Gc offers them a way to move into the Swiss Made world whilst keeping close to the brand they love.

GUESS

Enticing blue is the go to shade for dramatic pairings this season. Less formal than black but just as easy to wear, the striking colour instantly transforms any look into an iconic statement, especially when paired with the gilded tone of gold. This season, GUESS Watches presents a brand new assortment of unique blue hued watches that have been united with glamorous, high gloss gold. Effortlessly wearable, the collection is constructed around the "power couple" concept, with silhouettes that speak to pairings of his and hers.

A fashionable force to be reckoned with, GUESS Watches' blue and gold wins fashion distinction for him and her every time.

Nautica is a leading water-inspired global lifestyle brand with apparel for men, women and children, accessories and a complete home collection. Nautica products are classics that are rich in performance, colour and authentic style.

The Nautica heritage of love and respect for water, everywhere, every day, is reflected in every aspect of its brand categories. Its quality products are crafted with integrity and are enhanced with performance capabilities.

Over the past three decades, Nautica has become one of the most important and best recognised American brands throughout the world. Nautica Watches combine distinctive styling, bold colours and unique design. Nautica's functionality reflects an energetic lifestyle that appeals to customers around the globe.

NAUTICA

极度乾燥(しなさい) Superdry. watches

In 2012, following on from the success of Superdry's clothing range, the design-led Superdry watches was born.

Superdry grows its range of sport-inspired and classic watches that are built around the brand's design DNA with key families such as SCUBA, TOKYO and URBAN. The Superdry watch collection features an array of different styles from modern silicone straps to premium leathers and stainless steel bracelets.

Superdry watches... ultimate wrist appeal.

To mark the 130th anniversary of Victorinox, I.N.OX. establishes a new industry standard for watch strength and resilience.

VICTORINOX
SWISS ARMY

I.N.O.X. STEEL Simplicity as the ultimate function The I.N.O.X. has no limitations beyond those we impose on it. Versatile styling makes it the ideal companion for each and every moment in life. Three hands and a date display: its utter simplicity points to its sheer complexity, striking the perfect balance. Sturdy without being clunky, its timelessness defies any programmed obsolescence. Here, obsessive perfection is aligned with record-breaking performance.

I.N.O.X. marks a decisive turning point in the history of Victorinox Swiss Army. This ultra-resistant watch is stamping its identity on the realm of watchmaking, and is embarking on new terrain. Following in the footsteps of its illustrious predecessor the Swiss Army knife, the I.N.O.X.'s instant success has already confirmed it as a watch with all the characteristics of a future icon.

Its perfection is the result of innumerable aesthetic and technical details combined: 130 resistance tests; perfect proportions; a surface that's smooth and silky to the touch, like a pebble polished by time... Its signature hexagonal bezel alternating polished and satin-brushed facets—as if chiselled with a knife—gives the watch a strong identity that underlines its sturdiness.

WATCH engine

There's nothing more we'd like to do, than bring watches and watch lovers together. Watch Engine is a multibrand retail store which offers top fashion lifestyle watches for our young and dynamic customer. You get the utmost in value, time and time again. Our huge collection of watches including Guess Watch, Gc, Victorinox Swiss Army, Calvin Klein, Nautica, Superdry Watches, Kenzo, Karen Milen and Ben Sherman makes Watch Engine the right place to find your daily fashion essentials.

Currently Watch Engine is available in major cities in Indonesia and Malaysia.

WATCH ZONE

Located around the region, Watchzone is a multi brand retail store that houses some of the world's most popular Swiss Made and Lifestyle timepieces. Watchzone is a one-stop shopping destination for various renowned brands such as Gc, Victorinox Swiss Army, Guess watches, Nautica, Swarovski, Calvin Klein, Certina, Rado, Mido and Roberto Cavalli by Frank Muller. Watchzone is currently available in prominent malls and shopping centers at major cities in Indonesia, including Jakarta, Surabaya, Bandung and Medan. Selected Watch Zone outlets also provide maintenance and repair services, offering Watchzone customers the ultimate convenience.

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 2012 (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. 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 is also provided at management level to facilitate operational efficiency.

To facilitate effective management, certain functions have been delegated to various Board Committees, 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 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	3	3	1	1	NA	NA	NA	NA
Keith Tay Ah Kee	4	4	3	3	1	1	1	1	NA	NA
Eli Manasseh (Nash) Benjamin	4	4	3	3	NA	NA	NA	NA	NA	NA
Douglas Benjamin	4	4	3	3	NA	NA	NA	NA	NA	NA
Karen Chong	4	4	3	3	NA	NA	NA	NA	NA	NA
Ng Hin Lee	4	4	NA	NA	NA	NA	NA	NA	4	4
Wong Ai Fong	4	4	NA	NA	NA	NA	1	1	4	4
Chew Kwee San	4	4	NA	NA	NA	NA	1	1	4	4
Daniel Ong Jen Yaw	4	4	NA	NA	1	1	NA	NA	4	4

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. Mr Ng Hin Lee who was newly appointed on 11 July 2014 was given a detailed briefing by the senior management on the Group structure, business risks and challenges faced by the Group as well as the growth strategies of the Group. A tour of the facilities was also arranged for the Director for better understanding of the activities within the Group.

Directors are provided with opportunities for continuing education or briefings in areas such as directors' duties and responsibilities, changes to regulations and accounting standards and industry-related matters, so as to be updated on matters that affect or may enhance their performance as Board or Board Committee members. In addition, Directors are invited from time to time to attend professional programmes for Directors conducted by the Singapore Institute of Directors and other relevant bodies. The Company has an on-going training budget for the Directors to fund their participation at industry conferences and seminars, and their attendance at any training programme in connection with their duties as directors.

Board Composition and Balance – Principle 2

As at the end of the financial year, the Board comprises nine Directors, four 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 has determined that Mr Keith Tay be considered independent notwithstanding that he has served on the Board for more than nine years as he has consistently exercised strong independent judgement in the best interests of the Company in the discharge of his Director's duties in Board and Board Committees. Mr Keith Tay has no association with the Management that could compromise his independence.

The Board has also determined that Ms Wong Ai Fong be considered independent notwithstanding that she has served on the Board for more than nine years as she has continued to demonstrate strong independence in character and judgement in which she has discharged her responsibilities as a Director in the Board and Board Committees. Ms Wong Ai Fong has no association with the Management that could compromise her independence.

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 other Executive Directors and Management, as well as formulating long-term corporate strategies and policies of the Group.

The Group believes that the appointment of a lead independent director for ease of contact by shareholders is unnecessary as the respective Independent Directors are well-known personages in their fields of expertise and they have demonstrated high commitment in their role as Directors and have ensured that there is a good balance of power and authority.

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 Secretary. The Company Secretary attends all Board meetings and is 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.

NOMINATING COMMITTEE (NC)

The NC is chaired by Mr Keith Tay and its members are Mr Frank Benjamin and Mr Daniel Ong. 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 review the Board structure, size, composition and independence;

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

(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 review training and professional development programs for the Directors;

(e) to determine independence of each Director; and

(f) 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 Board believes that each Director should personally determine the demands of his/her competing directorships and obligations and assess how much time is available to serve on the Board effectively. Accordingly, the Board has reviewed and is satisfied with the time commitment of the Directors and has not made a determination of the maximum number of board representations a Director may hold.

The NC is responsible for the selection, appointment and reappointment of Directors.

(a) The NC carries out a review of the Board composition at least annually as well as on each occasion that an existing Director gives notice of his/her intention to retire or resign.

(b) The NC identifies suitable candidates for appointment to the Board after considering the skills required in the Board to achieve the Group's strategic and operational objectives.

(c) All Directors must submit themselves for re-appointment at regular intervals of at least once every three years. Article 102 of the Company's Articles of Association provides that one-third of the Directors shall retire from office by rotation and be subject to re-appointment at the Company's AGM.

(d) The NC takes into consideration the Directors' contribution and performance in its deliberations on the re-appointment of existing Directors. The assessment parameters include attendance record, preparedness, intensity of participation and candour at meetings of the Board and Board committees as well as the quality of intervention and special contribution.

The profile and information of the Directors as at the date of this report are set out on pages 12 to 15 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 Ms Wong Ai Fong and its members are Mr Keith Tay and Mr Chew Kwee San. All the Directors are Non-executive Directors. With the exception of Mr Chew Kwee San, the other two Directors 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;

(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 remuneration package comprises a fixed component and a variable component. The fixed component is in the form of a basic salary while the variable component is in the form of a performance bonus which is linked to the Group and individual performance.

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
Executive Directors					
$500,000 to $749,999					
Mr Frank Benjamin	–	90%	3%	7%	100%
Mr Eli Manasseh Benjamin	–	94%	3%	3%	100%
Mr Douglas Benjamin	–	93%	3%	4%	100%
$250,000 to $499,999					
Ms Karen Chong	–	92%	3%	5%	100%
Non-Executive Directors					
Below $250,000					
Mr Keith Tay	100%	–	–	–	100%
Mr Ng Hin Lee	100%	–	–	–	100%
Ms Wong Ai Fong	100%	–	–	–	100%
Mr Chew Kwee San	100%	–	–	–	100%
Mr Daniel Ong	100%	–	–	–	100%

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

Range of Remuneration	No. of Executives
$250,000 to $499,999	5
Total	**$1,623,776**

The Board is of the view that disclosure of the remuneration details of each director and key management personnel as recommended by the Code will reveal commercially-sensitive information to competitors. Given the highly competitive talent market in the niche industry, it is in the best interests of the Group that specific details of the remuneration of each director and key management personnel be kept confidential.

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 and allowance	Variable Performance Bonus	Benefit-in-kind	Total
$300,000 to $349,999				
Relating to an Executive Director	95%	3%	2%	100%
$250,000 to $299,999				
Relating to the Chairman	91%	2%	7%	100%
Relating to the Chairman	95%	2%	3%	100%
Relating to the Chairman	90%	3%	7%	100%

AUDIT COMMITTEE (AC)

Accountability and Audit – Principles 10 and 12

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 Ng Hin Lee and its members are Ms Wong Ai Fong, Mr Chew Kwee San and Mr Daniel Ong. With the exception of Mr Chew Kwee San, the other three Directors are Independent Directors.

The Board ensures that the members of the AC are appropriately qualified to discharge their responsibilities, with the members, including the Chairman, having accounting or related financial management expertise and experience. The members of the AC keep abreast of relevant changes to accounting standards and issues which have a direct impact on the financial statements, through regular updates from the External Auditor or other professionals.

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

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

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

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

(d) to review 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 also reviewed the adequacy of the whistle blowing policy instituted by the Company through which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The objective of such policy is to ensure that arrangements are in place for independent investigation of such matters and for appropriate follow-up actions. The AC confirms that no reports have been received under the policy.

In FY2015, a total of four AC meetings were held. The AC also held one meeting with the External Auditors and the Internal Auditor without the presence of the Management, to discuss the reasonableness of the financial reporting process, the system of internal controls, and the significant comments and recommendations by the auditors.

The Group has complied with Rule 712 and Rule 715 or 716 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited in relation to its engagement of auditors.

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. Fees of $496,000 were paid to the External Auditor of the Group during the year for audit and non-audit services. Of this, fees for non-audit services amounted to $192,000.

Risk Management and Internal Controls – Principle 11

The Board, with the assistance from the Executive and Audit Committees, is responsible for the governance of risk by ensuring that the Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets, and determines the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Group has established and implemented a risk management framework for the identification, assessment, monitoring and reporting of significant risks. The Board oversees the Management in the formulation, update and maintenance of an adequate and effective risk management framework, while the AC reviews the adequacy and effectiveness of the risk management and internal control systems, including financial, operational, compliance and information technology controls, on a half-yearly basis.

The Group maintains a risk register which identifies the material risks faced by the Group and the internal controls in place to manage or mitigate those risks. The risk register is updated by the business and corporate executive heads in the Group regularly and the AC reviews the risk register on a half yearly basis. The Internal Audit function takes into consideration the risks identified and assessed in the register and prepares the audit plan. The audit plan is approved by the AC. The Internal Audit function reports all audit findings and recommendations to the AC on a quarterly basis and follows up on all recommendations to ensure timely remediation of audit issues.

While no system can provide absolute assurance against material loss or financial misstatement, the Group's internal 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 the internal controls, the Board has had regard to the risks which the business is exposed to and the costs of protecting against such risks.

The Board has received assurance from the CEO and the CFO during the meetings of the Board and Audit Committees that:

(1) the financial records have been properly maintained and the financial statements for the year ended 30 June 2015 give a true and fair view of the Company's operations and finances; and

(2) the system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks.

Based on the internal controls established and maintained by the Group, work performed by the Internal Auditors, External Auditors' report on their financial audit, reviews performed by management, various Board Committees and the Board, as well as the assurance received from the CEO and the CFO, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's internal controls addressing financial, operational, compliance and information technology risks were adequate as at 30 June 2015.

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. The AC approves the hiring, removal and evaluation of the Internal Auditor.

His responsibilities include the review of the effectiveness of the Group's material internal controls, including financial, operational, compliance and information technology 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 (Nash) 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

Shareholder rights – Principle 14
Communication With Shareholders – Principle 15

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.

Dividend policy

The Board aims to declare and pay annual dividend. In considering the level of dividend payments, the Board takes into account various factors including:

- the level of available cash;
- the return on equity and retained earnings; and
- the projected levels of capital expenditure and other investment plans.

As the Company has a net operating loss in this financial year, no dividend is declared.

Encourage Greater Shareholders' Participation – Principle 16

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 up to two proxies 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.

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 2015, there were no material interested person transactions entered into.

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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 2015.

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 Ng Hin Lee	–	Independent Director
Ms Wong Ai Fong	–	Independent Director
Mr Chew Kwee San	–	Non-Executive Director
Mr Daniel Ong Jen Yaw	–	Independent Director

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:

	Holdings registered in the name of Director or nominee			Holdings in which a Director is deemed to have an interest		
Name of Director	**At 1.7.2014**	**At 30.6.2015**	**At 21.7.2015**	**At 1.7.2014**	**At 30.6.2015**	**At 21.7.2015**
<u>Ordinary shares</u>						
Mr Frank Benjamin	39,191,000	39,191,000	39,191,000	–	–	–
Mr Keith Tay Ah Kee	256,000	256,000	256,000	–	–	–
Mr Eli Manasseh Benjamin	24,310,050	24,310,050	24,310,050	–	–	–
Mr Douglas Jackie Benjamin	120,000	120,000	120,000	10,000	10,000	10,000
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 at the end of the financial year.

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 Ng Hin Lee (Chairman)
Ms Wong Ai Fong
Mr Chew Kwee San
Mr Daniel Ong Jen Yaw

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 auditors. 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.

AUDITOR

The auditor, Ernst & Young LLP, Public Accountants and Chartered 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
22 September 2015

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, consolidated statement of comprehensive income, 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 financial position of the Company and its subsidiaries (collectively, the "Group") as at 30 June 2015 and of the financial performance, 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
22 September 2015

REPORT ON THE FINANCIAL STATEMENTS

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 123, which comprise the balance sheets of the Group and the Company as at 30 June 2015, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for 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 financial statements and to maintain accountability of assets.

Auditor's 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 about 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 judgment, 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 of the financial statements that give a true and fair view 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, 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 financial position of the Group and of the Company as at 30 June 2015 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

22 September 2015

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

(In Singapore Dollars)

	Note	Group 2015 $'000	Group 2014 $'000 (Note 41)
Revenue	5	293,407	368,200
Other income, net	6	18,848	8,845
Interest income		217	654
		312,472	377,699
Costs and expenses			
Cost of goods sold		(171,568)	(224,055)
Staff costs	7	(46,606)	(54,227)
Rental of premises		(55,635)	(58,759)
Advertising and promotion		(8,970)	(12,595)
Depreciation of property, furniture, fixtures and equipment	12	(8,196)	(9,241)
Other operating expenses	8	(30,954)	(32,134)
Total costs and expenses		(321,929)	(391,011)
Operating loss		(9,457)	(13,312)
Interest expense	9	(3,227)	(3,572)
		(12,684)	(16,884)
Loss on disposal of subsidiary		(1,127)	–
Foreign exchange loss, net		(3,348)	(634)
Share of results of associates, net of tax		2,156	(1,686)
Loss before taxation from continuing operations		(15,003)	(19,204)
Taxation	10	(629)	(2,892)
Net loss for the financial year		(15,632)	(22,096)
Loss attributable to:			
Equity holders of the Company		(16,988)	(22,102)
Non-controlling interests		1,356	6
		(15,632)	(22,096)
Loss per share attributable to equity holders of the Company	11		
Basic (cents)		(2.99)	(3.89)
Diluted (cents)		(2.99)	(3.89)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

(In Singapore Dollars)

	Group	
	2015 $'000	2014 $'000
Loss for the year	(15,632)	(22,096)
Other comprehensive gain/ (loss), net of tax		
Item that may be reclassified subsequently to profit or loss:		
Foreign currency translation	651	(3,743)
Total comprehensive loss for the year	(14,981)	(25,839)
Total comprehensive loss attributable to:		
Equity holders of the Company	(16,242)	(25,842)
Non-controlling interests	1,261	3
	(14,981)	(25,839)

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

BALANCE SHEETS
AS AT 30 JUNE 2015

(In Singapore Dollars)

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Non-current assets					
Property, furniture, fixtures and equipment	12	15,080	30,597	242	475
Subsidiaries	13	–	–	80,851	92,410
Goodwill	14	–	559	–	–
Investment in associates	15	3,138	988	–	–
Investment securities	16	–	–	–	–
Mandatory convertible bonds	17	29,862	–	–	–
Other receivables	18	1,631	260	–	–
Loan to related party of associate	27	5,500	16,500	–	–
Deferred tax assets	26	1,006	1,154	–	–
		56,217	50,058	81,093	92,885
Current assets					
Non-current asset held for sale		–	1,847	–	–
Inventories	19	74,257	90,451	–	–
Investment securities	16	1,642	2,724	–	–
Trade debtors	20	31,838	69,787	–	–
Other debtors	21	16,036	23,604	31,536	78,413
Prepayments and advances		2,070	3,102	28	455
Tax recoverable		3,025	2,295	–	–
Cash on hand and at banks	31	5,555	5,176	3,545	175
		134,423	198,986	35,109	79,043
Current liabilities					
Trade and other creditors	22	51,366	58,579	1,840	2,234
Finance lease creditors	23	171	168	137	133
Bank borrowings	24	50,685	77,103	–	–
Provision for taxation		43	514	–	–
		102,265	136,364	1,977	2,367
Net current assets		32,158	62,622	33,132	76,676
Non-current liabilities					
Finance lease creditors	23	263	434	253	389
Bank borrowings	24	500	7,500	–	–
Other liabilities	25	2,616	2,626	–	–
Deferred tax liabilities	26	40	266	–	–
		3,419	10,826	253	389
Net assets		84,956	101,854	113,972	169,172
Equity attributable to equity holders of the Company					
Share capital	28	165,447	165,447	165,447	165,447
Foreign currency translation reserve	29	(26,267)	(27,013)	–	–
(Accumulated losses) / Retained earnings		(54,224)	(35,814)	(51,475)	3,725
		84,956	102,620	113,972	169,172
Non-controlling interests	30	–	(766)	–	–
Total equity		84,956	101,854	113,972	169,172

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 2015

(In Singapore Dollars)

	Note	< Attributable to equity holders of the Company >				
		Share Capital $'000	Foreign currency translation reserve $'000	Accumulated losses $'000	Non-controlling interests $'000	Total equity $'000
Group						
At 1 July 2014		165,447	(27,013)	(35,814)	(766)	101,854
Loss for the year		–	–	(16,988)	1,356	(15,632)
Other comprehensive gain/(loss)						
Foreign currency translation		–	746	–	(95)	651
Total comprehensive loss for the financial year		–	746	(16,988)	1,261	(14,981)
Changes in ownership interests in subsidiaries						
Acquisition of non-controlling interests without a change in control		–	–	–	(124)	(124)
Disposal of subsidiary		–	–	–	(371)	(371)
Total changes in ownership interests in subsidiaries		–	–	–	(495)	(495)
Dividends paid on ordinary shares, representing total contributions by and distributions to equity holders	40	–	–	(1,422)	–	(1,422)
At 30 June 2015		165,447	(26,267)	(54,224)	–	84,956
At 1 July 2013		165,447	(23,273)	(10,868)	(769)	130,537
Loss for the year		–	–	(22,102)	6	(22,096)
Other comprehensive loss						
Foreign currency translation		–	(3,740)	–	(3)	(3,743)
Total comprehensive loss for the financial year		–	(3,740)	(22,102)	3	(25,839)
Dividends paid on ordinary shares, representing total contributions by and distributions to equity holders	40	–	–	(2,844)	–	(2,844)
At 30 June 2014		165,447	(27,013)	(35,814)	(766)	101,854

Included in the Group's accumulated losses are certain profits of approximately S$7,000 (2014: S$7,000), which was set aside by the Group's Chinese subsidiary when it generated profits. The said profits are restricted in use as required by the relevant laws and regulations of the People's Republic of China.

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 2015

(In Singapore Dollars)

	Note	Share capital $'000	(Accumulated losses) / Retained earnings $'000	Total equity $'000
Company				
At 1 July 2014		165,447	3,725	169,172
Loss for the year, representing total comprehensive loss for the financial year		–	(53,778)	(53,778)
Dividends paid on ordinary shares, representing total contributions by and distributions to equity holders	40	–	(1,422)	(1,422)
At 30 June 2015		165,447	(51,475)	113,972
At 1 July 2013		165,447	455	165,902
Profit for the year, representing total comprehensive income for the financial year		–	6,114	6,114
Dividends paid on ordinary shares, representing total contributions by and distributions to equity holders	40	–	(2,844)	(2,844)
At 30 June 2014		165,447	3,725	169,172

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 2015

(In Singapore Dollars)

	Group 2015 $'000	Group 2014 $'000
Cash flow from operating activities:		
Loss before taxation	(15,003)	(19,204)
Adjustments for:		
Depreciation of property, furniture, fixtures and equipment	8,196	9,241
Share of results of associates, net of tax	(2,156)	1,686
Currency realignment	384	(3,343)
Loss on disposal of subsidiary	1,127	–
Loss on disposal of furniture, fixtures and equipment	698	507
Gain on disposal of leasehold properties	(7,631)	–
Gain on acquisition of non-controlling interests	(124)	–
Investment income	(558)	–
Interest income	(217)	(654)
Interest expense	3,227	3,572
Gain on sale of mandatory convertible bonds / investment securities	(12,023)	(14)
Fair value loss on investment securities	1,250	1,537
Provision for impairment of fixed assets and early termination cost for non-performing stores	810	1,350
Provision for restructuring costs	2,333	–
Allowance for inventory obsolescence and inventories written off, net	3,257	821
Bad debts written off	–	20
Allowance /(Reversal of allowance) for doubtful debts	103	(685)
Operating loss before reinvestment in working capital	(16,327)	(5,166)
Decrease / (Increase) in debtors	3,257	(2,417)
Decrease in prepayments and advances	1,032	264
Decrease in inventories	12,499	26,422
Decrease in creditors	(8,970)	(2,530)
Cash flow (used in)/from operations	(8,509)	16,573
Income tax paid	(2,234)	(4,400)
Net cash (used in)/from operating activities	(10,743)	12,173
Cash flow from investing activities:		
Purchase of furniture, fixtures and equipment	(4,491)	(16,557)
Proceeds from disposal of property, furniture, fixtures and equipment	19,569	460
Proceeds from sale of investment securities	–	100
Proceeds from sale of mandatory convertible bonds	21,977	–
Loan repayment received from related party of associate	11,000	–
Purchase of investment securities	(168)	–
Net cash outflow on disposal of subsidiary (Note 13)	(316)	–
Interest received	749	–
Net cash from / (used in) investing activities	48,320	(15,997)

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 2015

(In Singapore Dollars)

	Group	
	2015	2014
	$'000	$'000
Cash flow from financing activities:		
Repayment of bank borrowings	(36,583)	(14,284)
Proceeds from bank borrowings	4,908	17,106
Repayment of obligations under finance lease	(168)	(163)
Interest paid	(3,227)	(4,038)
Dividends paid to shareholders	(1,422)	(2,844)
Net cash used in financing activities	(36,492)	(4,223)
Net increase/ (decrease) in cash and cash equivalents	1,085	(8,047)
Cash and cash equivalents at beginning of financial year	(7,488)	572
Net effect of exchange rate changes on opening cash and cash equivalents	516	(13)
Cash and cash equivalents at end of financial year (Note 31)	(5,887)	(7,488)

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

1. CORPORATE INFORMATION

F J Benjamin Holdings Ltd (the "Company") is a limited liability 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 have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars ("SGD" or "$") and all values in the tables are rounded to the nearest thousand ($'000), except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 July 2014.

The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

		Effective date (annual period beginning on or after)
FRS 114	Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 1	Disclosure Initiative	1 January 2016
Amendments to FRS 27	Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 16 and FRS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 111	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 110 and FRS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28	Investment Entities: Applying the Consolidation Exception	1 January 2016
Improvements to FRSs (November 2014)		
– Amendment to FRS 19	Employee Benefits	1 January 2016
– Amendment to FRS 34	Interim Financial Reporting	1 January 2016
– Amendment to FRS 105	Non-current Assets Held for Sale and Discontinued Operations	1 January 2016
– Amendment to FRS 107	Financial Instruments: Disclosures	1 January 2016
FRS 115	Revenue from Contracts with Customers	1 January 2017
FRS 109	Financial Instruments	1 January 2018

Except for FRS 115 and FRS 109, the Directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115 and FRS 109 are described below:

<u>FRS 115 Revenue from Contracts with Customers</u>

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective (continued)

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

The Group currently measures its investments in unquoted equity securities at cost. Under FRS 109, the Group will be required to measure the investments at fair value. Any difference between the previous carrying amount and the fair value would be recognised in the opening retained earnings when the Group apply FRS 109.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

2.4 Basis of consolidation and business combinations

a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. 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 to like transactions and events in similar circumstances.

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

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.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation and business combinations (continued)

a) Basis of consolidation (continued)

- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.14. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

a) Transactions and balances

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 rate of exchange ruling at the end of the reporting period. 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 measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.8 Associates and joint ventures

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates or joint venture are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint venture. The profit or loss reflects the share of results of the operations of the associates or joint venture. Distributions received from associates or joint venture reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associates or joint venture are eliminated to the extent of the interest in the associates or joint venture.

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

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates or joint venture. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associates or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

Upon loss of significant influence or joint control over the associate or joint venture, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

The Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would have been required if that associate had directly disposed of the related assets or liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Associates and joint ventures (continued)

When an investment in an associate becomes an investment in a joint venture or an investment in joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

If the Group's ownership interest in an associate or a joint venture is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

The financial statements of the associates and joint venture are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group. The most recent available audited financial statements or, if not available, the unaudited management financial statements of the associates, are used by the Group in applying the equity method.

2.9 Property, furniture, fixtures and equipment

All items of property, furniture, fixtures and equipment are initially recorded at cost. Subsequent to recognition, property, furniture, fixtures and equipment are measured at cost less accumulated depreciation and any accumulated 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.

When significant parts of property, furniture, fixtures and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, furniture, fixtures and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold buildings	–	Over the lease terms of 50 years
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 6 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 value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

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 on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Property, furniture, fixtures and equipment once classified as held for sale are not depreciated or amortised.

2.11 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

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.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group. Derivatives, including separated embedded derivatives are also classified as held for trading.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial instruments (continued)

(a) Financial assets (continued)

ii) Loans and receivables

Non-derivative 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, loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

iii) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

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

<u>De-recognition</u>

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 had been recognised in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date that is 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial instruments (continued)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

ii) Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

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. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset 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 profit or loss.

b) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) 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 flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Impairment of financial assets (continued)

c) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

2.14 Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment loss.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Goodwill (continued)

Goodwill and fair value adjustments arising on the acquisition of foreign operation are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and are translated in accordance with the accounting policy set out in Note 2.6.

2.15 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 an annual impairment testing 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 of disposal 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 or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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 been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.16 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. Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value. 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.

2.17 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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 in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss 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 profit or loss.

2.19 Provisions

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

Provisions are reviewed at the end of each reporting period 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 defined contribution 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 are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period. The liability for leave expected to be settled beyond twelve months from the end of the reporting period is determined using the projected unit credit method. The net total of service costs, net interest on the liability and remeasurement of the liability are recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Termination benefit

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefits is recognised at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognises related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employment benefits, short-term employee benefits, or other long-term employee benefits.

2.21 Leases

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 profit or loss. 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.

Operating lease payments are recognised as an expense in profit or loss 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.

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, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Revenue (continued)

c) Dividend income

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

d) Market support and administrative service income

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

e) Project referral fee income

Project referral fee income is recognised upon successful completion of project.

2.23 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Government grant shall be recognised in profit or loss on a systematic basis over the periods which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income are presented as "Other income".

2.24 Taxes

a) Current income tax

Current income 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 at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred tax is provided, using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Taxes (continued)

b) Deferred tax (continued)

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled 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, the carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Taxes (continued)

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.

2.25 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Segment reporting

For management reporting purposes, the Group's businesses are generally segmented by its channel of distribution and geographical location which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 34, including the factors used to identify the reportable segments and the measurement basis of segment information.

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 is 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.

2.28 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

- (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

3.1 Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements.

(i) Income tax

The Group has exposure to income taxes in several jurisdictions. Significant judgment 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	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Deferred tax assets	1,006	1,154	–	–
Tax recoverable	3,025	2,295	–	–
Provision for taxation	43	514	–	–
Deferred tax liabilities	40	266	–	–

(ii) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgment is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices. Management has assessed that prices are mainly denominated and settled in the respective local currency of the entities of the Group. In addition, most of the entities' cost base is mainly denominated in their respective local currency. Therefore, management concluded that the functional currency of the entities of the Group is their respective local currency.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Property, furniture, fixtures and equipment, investment in subsidiaries and investment in associates

The cost of leasehold improvements is depreciated over the lease terms of the tenanted area between 3 to 6 years and leasehold buildings are depreciated over its leasehold period of 50 years. The other furniture, fixtures and equipment is depreciated over the common life expectancies.

The Group and Company assesses whether there are indicators of impairment for property, furniture, fixtures and equipment, investment in subsidiaries, and investment in associates at each reporting date. These assets are tested for impairment where there are indications that the carrying amounts may not be recoverable. This requires an estimation of the value in use of the assets. Estimating the value in use requires the Group and Company 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 carrying amounts of the Group's and Company's property, furniture, fixtures and equipment at 30 June 2015 were approximately $15,080,000 (2014: $30,597,000) and $242,000 (2014: $475,000) respectively. The carrying amounts of the Company's investment in subsidiaries and of the Group's investment in associates at 30 June 2015 was approximately $68,087,000 (2014: $70,916,000) and $3,138,000 (2014: $988,000) 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 2015 was approximately $74,257,000 (2014: $90,451,000).

(iii) Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings granted to its subsidiaries and associates with total facilities of approximately $156,856,000 (2014: $201,215,000). 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 retained earnings of the Company for the financial years ended 30 June 2015 and 30 June 2014.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

3.2 Key sources of estimation uncertainty (continued)

(iv) Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. Factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments are objective evidence of impairment. In determining whether there is objective evidence of impairment, the Group considers whether there is observable data indicating that there have been significant changes in the debtor's payment ability or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the end of the reporting period is disclosed in Note 33 to the financial statements.

4. GROUP COMPANIES

The subsidiaries as at 30 June are:-

	Name of company [country of incorporation]	Principal activities	Cost		Percentage of equity interest	
			2015 $'000	2014 $'000	2015 %	2014 %
	Held by the Company					
~	Fashion Dynamics International Pte Ltd [Singapore]	Investment holding company	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 Ideas Pte Ltd [Singapore]	Investment holding company	3,000	3,000	100	100
#	F J Benjamin (M) Sdn. Bhd. [Malaysia]	Importers, distributors and retailers of consumer fashion wear, accessories and timepieces	8,516	8,516	100	100
@	F J Benjamin (H.K.) Limited [Hong Kong]	Importers, exporters, distributors, retailers of timepieces and consumer fashion accessories	58,612	58,612	100	100

4. GROUP COMPANIES (CONTINUED)

	Name of company [country of incorporation]	Principal activities	Cost 2015 $'000	Cost 2014 $'000	Percentage of equity interest 2015 %	Percentage of equity interest 2014 %
	Held by the Company (continued)					
+	BMI (Hong Kong) Limited [Hong Kong]	Dormant	1,119	1,119	100	100
@	Ferro Designs Limited [Hong Kong]	Investment holding company	19	19	100	100
**	Arcangel Limited [Hong Kong]	Distributors of consumer fashion wear	–	693	–	60
@	F J Benjamin (Taiwan) Ltd [Taiwan]	Importers, distributors and retailers of timepieces	3,909	3,909	100	100
+	FJ Benjamin (Aust) Pty Ltd [Australia]	Dormant	21,434	21,434	100	100
@*	F J Benjamin Concepts (Thailand) Ltd [Thailand]	Dormant	243	119	100	49
			99,912	100,481		

	Name of company [country of incorporation]	Principal activities	Percentage of equity interest 2015 %	Percentage of equity interest 2014 %
	Held through subsidiaries			
~	Nootrees Pte Ltd (formerly known as F J Benjamin Leading Watch Concepts Pte Ltd) [Singapore]	Import and distribution of sustainable and biodegradable consumer products	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
~	Fashion Dynamics Singapore Pte Ltd [Singapore]	Importers, exporters, licensees, distributors and retailers of consumer fashion wear, accessories and timepieces	100	100

4. GROUP COMPANIES (CONTINUED)

	Name of company [country of incorporation]	Principal activities	Percentage of equity interest 2015 %	2014 %
#	F J Benjamin Lifestyle Sdn. Bhd. [Malaysia]	Importers, exporters, distributors and retailers of consumer fashion wear, accessories and timepieces	100	100
#	F J Benjamin Luxury Timepieces Sdn. Bhd. [Malaysia]	Dormant	100	100
@	Fashion Dynamics HK Ltd [Hong Kong]	Sourcing activities	100	100
+	Fashion Dynamics (Shenzhen) Co. Ltd. [People's Republic of China]	Sourcing activities	100	100
@	F J Benjamin (Shanghai) Co., Ltd [People's Republic of China]	Importers and distributors of consumer fashion wear and timepieces	100	100
**	Atelier Arcangel Ltd [United Kingdom]	Distributors of consumer fashion wear	–	100
**	Arcangel Inc. [United States]	Distributors of consumer fashion wear	–	100
+	F. J. Benjamin Fashions (U.S.) Inc. [United States]	Distributors and retailers of consumer fashion wear and accessories	100	100
+	F J Benjamin Italy S.R.L. [Italy]	Promoters, marketers and retailer of fashion apparel and accessories	100	100
+	PT Meteor Prima Sejati [Indonesia]	Importers, exporters and distributors of consumer fashion wear and accessories	100	100

~ Audited by Ernst & Young LLP, 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.
* The preference shares held by the subsidiary have been transferred to the Company in this financial year (Note 30).
** Disposed in this financial year (Note 13).
^ Cost of investment is two Singapore dollars.
@ Audited by other auditors.

5. REVENUE

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

6. OTHER INCOME, NET

	Group	
	2015 $'000	2014 $'000
Market support and administrative service income (Note 38)	606	9,144
Project referral fee income	1,143	–
Investment income	558	–
Gain on sale of mandatory convertible bonds	12,023	–
Gain on disposal of investment securities	–	14
Fair value loss on investment securities	(1,250)	(1,537)
Gain on acquisition of non-controlling interests	124	–
Government grants	607	238
Gain on disposal of leasehold properties	7,631	–
Loss on disposal of furniture, fixtures and equipment	(698)	(507)
Miscellaneous credits received on expiry of distribution agreement	–	1,864
Write back of payables and accruals	865	646
Sample sales income	122	112
Restructuring cost	(2,333)	–
Provision for impairment of fixed assets and early termination cost for non-performing stores	(810)	(1,350)
Others	260	221
	18,848	8,845

7. STAFF COSTS

	Group	
	2015 $'000	2014 $'000
Salaries and bonuses	41,609	48,487
Provident fund contributions	4,997	5,740
	46,606	54,227

8. OTHER OPERATING EXPENSES

	Group	
	2015 $'000	2014 $'000
The following items have been included in arriving at other operating expenses:		
Audit fees:		
– Auditors of the Company	304	313
– Other auditors	97	153
Non-audit fees:		
– Auditors of the Company	192	112
– Other auditors	17	54
Allowance for inventory obsolescence (Note 19)	4,544	2,649
Inventories written down (Note 19)	1,433	1,101
Allowance / (Reversal of allowance) for doubtful debt	103	(685)
Bad debts written off	–	20
Rental of equipment	639	528
Outlet related expenses	5,217	6,000
Transportation and accommodation expenses	2,459	2,708
Utilities	1,893	2,061
Freight, handling and shipping costs	1,766	2,364
Discounts allowed	1,661	2,384
Professional and legal fees	3,138	3,977
Samples / Repairs of stocks	1,269	1,778
Repair and maintenance	1,366	1,549

9. INTEREST EXPENSE

	Group	
	2015 $'000	2014 $'000
Interest expense on:		
– Bank borrowings	3,207	3,546
– Finance lease	20	26
	3,227	3,572

10. TAXATION

	Group 2015 $'000	Group 2014 $'000
<u>Major components of income tax expense</u>		
The major components of income tax expense for financial years ended 30 June are:		
Current income tax:		
– Current tax	940	1,050
– (Over) / Under provision in respect of prior years *	(96)	2,034
Deferred income tax:		
– Movements in temporary differences	(408)	(68)
– Under / (Over) provision in respect of prior years	193	(124)
Income tax expense recognised in profit or loss	629	2,892

* Included in the under provision in FY2014 was a write off of tax recoverable following the finalisation of a deductibility matter with the Comptroller of Income Tax.

<u>Relationship between tax expense and accounting loss</u>

A reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 30 June 2015 and 2014 is as follows:

	Group 2015 $'000	Group 2014 $'000
Loss before share of results of associates and before taxation	(17,159)	(17,518)
Tax at the domestic rates applicable to profits in the countries where the Group operates	(3,023)	(3,889)
Adjustments:		
Income not subjected to tax	(3,218)	(1,079)
Expenses not deductible for tax purposes	3,247	2,761
Deferred tax assets not recognised	3,526	3,189
Under provision in respect of prior years	97	1,910
Income tax expense recognised in profit or loss	629	2,892

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

As at 30 June 2015, certain subsidiaries had unutilised tax losses of approximately $77.0 million (2014: $58.5 million) available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax assets are recognised due to uncertainty of their recoverability. The use of these unutilised tax losses 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.

11. LOSS PER SHARE

The basic loss per share amounts are calculated by dividing the loss for the financial year that is attributable to equity holders by the weighted average number of ordinary shares outstanding during the financial year.

Diluted loss per share amounts are calculated by dividing loss for the financial year that is attributable to equity holders by the weighted average 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.

The following table reflects the loss and share data used in the computation for basic and diluted loss per share for the financial years ended 30 June:

	Group	
	2015 $'000	2014 $'000
Net loss for the financial year attributable to equity holders used in the computations of basic and diluted loss per share	(16,988)	(22,102)
	'000	'000
Weighted average number of ordinary shares for basic and diluted loss per share computation	568,710	568,710

12. PROPERTY, FURNITURE, FIXTURES AND EQUIPMENT

Group	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
Cost							
At 1 July 2013	3,333	3,980	2,495	4,649	40,936	13,459	68,852
Currency realignment	(1)	(52)	(8)	(48)	(422)	(149)	(680)
Additions	714	610	–	403	14,830	–	16,557
Disposals	(110)	(239)	(70)	(466)	(3,636)	–	(4,521)
Transfer to asset held for sale	–	–	–	–	–	(2,552)	(2,552)
At 30 June 2014 and 1 July 2014	3,936	4,299	2,417	4,538	51,708	10,758	77,656
Currency realignment	(32)	(145)	(21)	(48)	(1,551)	670	(1,127)
Additions	50	239	–	193	4,009	–	4,491
Disposal of subsidiary (Note 13)	(43)	(27)	–	(34)	(34)	–	(138)
Disposals	(278)	(456)	–	(514)	(7,748)	(11,428)	(20,424)
At 30 June 2015	3,633	3,910	2,396	4,135	46,384	–	60,458

12. PROPERTY, FURNITURE, FIXTURES AND EQUIPMENT (CONTINUED)

Group	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 2013	1,710	2,754	1,501	3,916	27,986	3,846	41,713
Currency realignment	(3)	(32)	(5)	(46)	(277)	(45)	(408)
Charge for the financial year	732	431	413	501	6,888	276	9,241
Impairment loss	2	–	–	–	768	–	770
Disposals	(93)	(198)	(70)	(453)	(2,738)	–	(3,552)
Transfer to asset held for sale	–	–	–	–	–	(705)	(705)
At 30 June 2014 and 1 July 2014	2,348	2,955	1,839	3,918	32,627	3,372	47,059
Currency realignment	(2)	(93)	(20)	(45)	(1,023)	205	(978)
Charge for the financial year	798	364	313	401	6,114	206	8,196
Impairment loss	19	–	–	–	791	–	810
Disposal of subsidiary (Note 13)	(24)	(20)	–	(7)	(15)	–	(66)
Disposals	(258)	(278)	–	(445)	(4,879)	(3,783)	(9,643)
At 30 June 2015	2,881	2,928	2,132	3,822	33,615	–	45,378
Net carrying amount							
At 30 June 2015	752	982	264	313	12,769	–	15,080
At 30 June 2014	1,588	1,344	578	620	19,081	7,386	30,597

During the financial year, an impairment loss of $810,000 (2014: $770,000) was recognised on leasehold improvements to bring their carrying values to their recoverable values. Their recoverable amounts were based on the value in use of the leasehold improvements.

Assets pledged as security

As at 30 June 2015, there are no assets pledged as security for bank facilities (2014: leasehold buildings of carrying amount $7,386,000).

12. PROPERTY, FURNITURE, FIXTURES AND EQUIPMENT (CONTINUED)

Company	Furniture and Fittings $'000	Electrical Installation and Office Equipment $'000	Motor Vehicles $'000	Data Processing Equipment $'000	Leasehold Improvements $'000	Total $'000
Cost						
At 1 July 2013	138	390	1,167	32	2,515	4,242
Additions	–	–	–	2	5	7
Disposals	–	–	(5)	–	–	(5)
At 30 June 2014 and 1 July 2014	138	390	1,162	34	2,520	4,244
Additions	1	–	–	–	32	33
At 30 June 2015	139	390	1,162	34	2,552	4,277
Accumulated depreciation and impairment loss						
At 1 July 2013	68	382	521	29	2,456	3,456
Charge for the financial year	17	2	232	3	64	318
Disposals	–	–	(5)	–	–	(5)
At 30 June 2014 and 1 July 2014	85	384	748	32	2,520	3,769
Charge for the financial year	6	2	232	2	24	266
At 30 June 2015	91	386	980	34	2,544	4,035
Net carrying amount						
At 30 June 2015	48	4	182	–	8	242
At 30 June 2014	53	6	414	2	–	475

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Net carrying amount includes furniture, fixtures and equipment under finance leases:				
Motor vehicles	182	414	182	414

Leased assets are pledged as security for the related finance lease liabilities.

13. SUBSIDIARIES

	Company	
	2015	2014
	$'000	$'000
Investment in subsidiaries:		
Unquoted shares, at cost	99,912	100,481
Impairment losses	(31,825)	(29,565)
	68,087	70,916
Receivables from subsidiaries:		
Loans receivable, unsecured	21,975	21,330
Other receivables	48,401	64,010
Accrual for financial undertakings	(3,319)	(6,196)
	67,057	79,144
Allowance for doubtful debts	(54,293)	(57,650)
	12,764	21,494
	80,851	92,410
Movement in allowance account		
At 1 July	57,650	54,562
Allowance for the financial year	1,864	3,851
Reversal of allowance in the prior years	(203)	(763)
Reclassification (Note 21)	(5,018)	–
At 30 June	54,293	57,650

Details of the subsidiaries are set out at Note 4. During the year, the management performed an impairment test for its investment in subsidiaries. The Company recognised impairment loss of $2,260,000 (2014: net reversal of impairment loss of $239,000) in the year to write down the investment in subsidiaries to their recoverable amount.

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% (2014: 4.0%) per annum. The other receivables are non-trade related, unsecured, non-interest bearing, 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 loans receivable and amounts receivable from certain subsidiaries amounting to $5,878,000 (2014: $5,749,000) and $43,965,000 (2014: $43,730,000) respectively, until such time the subsidiaries are in the position to repay the amounts without impairing their respective liquidity positions.

13. SUBSIDIARIES (CONTINUED)

Disposal of subsidiary in the financial year

On 28 February 2015, the Group entered into a sale and purchase agreement to dispose of its entire shareholding interest in Arcangel Limited, representing 60% of its ordinary shares, for a total consideration of US$214,000.

The value of assets and liabilities of Arcangel Limited recorded in the consolidated financial statements as at disposal date and the effects of the disposal were:

	2015 $'000
Property, furniture, fixtures and equipment	72
Trade and other receivables	913
Inventories	437
Cash and cash equivalents	612
	2,034
Trade and other payables	(588)
Bank borrowings	(521)
	(1,109)
Carrying value of the net assets	925
Cash consideration	296
Cash and cash equivalents of the subsidiary	(612)
Net cash outflow on disposal of the subsidiary	(316)
Loss on disposal:	
Cash received	296
Net assets derecognised	(555)
Goodwill written off	(559)
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity on loss of control of subsidiary	(309)
Loss on disposal	(1,127)

14. GOODWILL

	Group 2015 $'000	Group 2014 $'000
At 1 July and 30 June	–	559

Goodwill written off

Goodwill acquired through business combination was previously allocated to one cash-generating unit ("CGU") within the Distribution segment. The unit has been disposed of in the financial year and the write-off of goodwill has been recorded under "Loss on disposal of subsidiary" in the Income Statement.

15. INVESTMENT IN ASSOCIATES

	Group 2015 $'000	Group 2014 $'000
PT Gilang Agung Persada and its subsidiary	658	(1,492)
Other associates	2,480	2,480
	3,138	988

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

(a) a 50% (2014: 50%) interest in a Singapore-incorporated company, Devil's Bar Pte Ltd, 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 LLP, Singapore;

(b) a 48% (2014: 48%) interest in a Singapore-incorporated company, FJD Pte Ltd, which is dormant during the financial year. The entity is audited by Ernst & Young LLP, Singapore; and

(c) a 50% (2014: 50%) interest in an Indonesia-incorporated company, PT Gilang Agung Persada and its subsidiary, 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.

15. INVESTMENT IN ASSOCIATES (CONTINUED)

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

The summarised aggregated financial information of PT Gilang Agung Persada and its subsidiary, based on its financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	2015 $'000	2014 $'000
Summarised balance sheet		
Current assets	79,895	83,380
Non-current assets	11,683	12,751
Total assets	91,578	96,131
Current liabilities	53,791	91,565
Non-current liabilities	37,138	7,254
Total liabilities	90,929	98,819
Net assets	649	(2,688)
Proportion of Group's ownership	50%	50%
Group's share of net assets	325	(1,344)
Other adjustments	333	(148)
Carrying amount of the investment	658	(1,492)
Summarised statement of comprehensive income		
Revenue	108,768	111,218
Profit / (Loss) after tax, which represents total comprehensive income	3,335	(3,381)

The activities of PT Gilang Agung Persada and its subsidiary are strategic to the Group's activities. No dividends (2014: $7.4 million) were received from PT Gilang Agung Persada and its subsidiary during the financial year ended 30 June 2015.

Aggregate information about the Group's investments in associates that are not individually material is as follows:

	2015	2014
Loss after tax, which represents total comprehensive income	(10)	(7)

16. INVESTMENT SECURITIES

	Group		Company	
	2015 **$'000**	**2014** **$'000**	**2015** **$'000**	**2014** **$'000**
Current				
Held for trading financial assets				
- Quoted equity investments	1,474	2,724	–	–
Available-for-sale financial assets				
- Unquoted equity investments, at cost	168	–	–	–
	1,642	2,724	–	–
Non-current				
Available-for-sale financial assets				
-Unquoted equity investments, at cost	2,246	2,246	2,760	2,760
Impairment losses	(2,246)	(2,246)	(2,760)	(2,760)
	–	–	–	–
Market value:				
Quoted equity investments	1,474	2,724	–	–

17. MANDATORY CONVERTIBLE BONDS

	Group	
	2015 **$'000**	**2014** **$'000**
Principal bond component, representing investment in associate	24,490	–
Interest receivable component	5,372	–
	29,862	–

On 24 July 2014, the Group entered into an agreement with its Indonesian associate to subscribe for $39.9 million of mandatory convertible bonds issued by the associate. Consideration was satisfied by the offsetting of trade and other debts due from that associate. On 11 August 2014, $10 million of these bonds were sold to Indonesian investors, PT Saratoga Investama Sedaya Tbk and its co-investors for an aggregate consideration of US$18 million. The Group now holds $29.9 million of these bonds, which are entirely denominated in Indonesian Rupiah.

The mandatory convertible bonds bear interest at 8% per annum up to the date of conversion. The bonds shall be converted to shares of the associate at the earlier of (i) the initial public offering of the associate; or (ii) 30 June 2018 or such other date as may be agreed.

18. OTHER RECEIVABLES

	Group	
	2015	**2014**
	$'000	**$'000**
Loan receivable from third party, unsecured	260	260
Sales tax refunds receivable	1,371	–
	1,631	260

The loan receivable from third party is non-interest bearing, has no fixed terms of repayment and is not expected to be repaid within one year. The sales tax refunds receivable is non-interest bearing and is repayable in two to three years. The balances are to be settled in cash.

19. INVENTORIES

	Group	
	2015	**2014**
	$'000	**$'000**
Trading stocks: -		
On hand	62,433	73,718
On consignment	3,906	5,684
In transit	5,854	8,581
Work-in-progress	2,064	2,468
Total inventories at lower of cost and net realisable value	74,257	90,451
Inventories recognised as an expense in cost of sales	168,509	220,665
Inclusive of the following credit:		
– Reversal of write-down of inventories	(2,720)	(2,929)
Allowance for inventory obsolescence charged to the income statement	4,544	2,649
Inventories written down charged to the income statement	1,433	1,101

The reversal of write-down of inventories was made during the financial year due to a higher than expected realisation on disposal.

20. TRADE DEBTORS

	Group	
	2015	**2014**
	$'000	**$'000**
External trade debtors	5,959	8,458
Trade debts due from associate	25,879	61,329
	31,838	69,787
Allowance /(Reversal of allowance) for doubtful debts charged to the income statement	103	(685)

20. TRADE DEBTORS (CONTINUED)

Trade debtors are non-interest bearing and are generally on 30 to 120 day terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Trade debts due from associate are unsecured, non-interest bearing, repayable upon demand and are to be settled in cash.

The Group's trade debtors that are individually impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group Individually impaired	
	2015 $'000	2014 $'000
Trade debtors – nominal amounts	110	7
Allowance for impairment	(110)	(7)
	–	–
Movement in allowance accounts		
At 1 July	7	693
Allowance/ (Reversal of allowance) for the financial year	103	(685)
Exchange differences	–	(1)
At 30 June	110	7

Trade debtors that are individually determined to be impaired at the end of the reporting period relate to debtors that are in financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

21. OTHER DEBTORS

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Other receivables	4,369	4,633	52	–
Deposits	4,638	5,461	92	92
Due from subsidiaries	–	–	31,329	78,274
Due from associates	7,029	13,510	63	47
	16,036	23,604	31,536	78,413

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

The amounts due from subsidiaries are non-trade related, unsecured, non-interest bearing and are repayable on demand. These balances are to be settled in cash.

21. OTHER DEBTORS (CONTINUED)

The other receivables at the Group and the Company that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group Individually impaired		Company Individually impaired	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Other receivables – nominal amounts	1,125	1,188	58,165	–
Allowance for impairment	(1,125)	(1,188)	(58,165)	–
	–	–	–	–
Movement in allowance accounts				
At 1 July	1,188	1,170	–	–
Allowance for the financial year	–	–	53,147	–
Reclassification (Note 13)	–	–	5,018	–
Exchange differences	(63)	18	–	–
At 30 June	1,125	1,188	58,165	–

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

22. TRADE AND OTHER CREDITORS

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Trade creditors	32,012	36,534	–	–
Accruals	11,606	9,567	663	734
Sundry creditors	7,318	12,077	138	239
Derivative financial liabilities	11	10	–	–
Due to subsidiaries	–	–	1,039	1,261
Due to associates	419	391	–	–
	51,366	58,579	1,840	2,234

Trade creditors and sundry creditors are non-interest bearing and are generally on 30 to 150 day terms.

Derivative financial liabilities relate to the fair value change of forward currency contracts.

The amounts due to subsidiaries and associates are non-trade related, unsecured, non-interest bearing and are repayable on demand. These balances are to be settled in cash.

23. FINANCE LEASE CREDITORS

The Group has entered into various finance lease facilities for its motor vehicles. These leases expire over the next five years and are secured by a charge over the leased assets (Note 12). The average discount rates implicit in the leases range from 1.9% to 4.8% (2014: 1.9% to 4.8%) per annum. Lease terms include purchase options but do not contain restrictions concerning payments of dividends, additional debt or further leasing.

	Group		Company	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Present value of minimum lease payments are as follows:-				
Not later than one year	171	168	137	133
Later than one year but not later than five years	263	434	253	389
Total present value of minimum lease payments	434	602	390	522
Future minimum lease repayments are as follows:-				
Not later than one year	184	183	149	149
Later than one year but not later than five years	271	460	261	409
Total future minimum lease payments	455	643	410	558
Amount representing interest	(21)	(41)	(20)	(36)
	434	602	390	522

24. BANK BORROWINGS

	Group	
	2015 $'000	**2014 $'000**
Current		
Bank overdrafts (Note 31)	11,442	12,664
Trust receipts and bills payable	31,782	42,039
Term loans	2,000	7,000
Short term loans	5,461	15,400
	50,685	77,103
Non-current		
Term loans	500	7,500

Corporate guarantees are given by the Company amounting to approximately $156,856,000 (2014: $201,215,000) for facilities granted to certain subsidiaries and associates.

24. BANK BORROWINGS (CONTINUED)

Short term loans and bank overdrafts

The short term loans bear interest at rates that ranged from 2.1% to 4.18% (2014: 2.14% to 5.1%) per annum during the financial year. The bank overdrafts bear interest at rates that ranged from 4.25% to 8.1% (2014: 4.20% to 7.85%) per annum during the financial year.

Trust receipts and bills payable

The trust receipts and bills payable bear interest at rates that ranged from 1.88% to 6.57% (2014: 1.65% to 6.28%) per annum during the financial year.

Term loans

As at 30 June 2015, the term loan comprises an SGD loan with fixed interest rate at 3.53% per annum repayable in 20 equal quarterly instalments commencing August 2011.

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 F J Benjamin Leading Watch Concepts Pte Ltd (now known as NooTrees 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% (2014: 9.90%) per annum and will mature in 2018.

25. OTHER LIABILITIES

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

26. DEFERRED TAXATION

	Group			
	Consolidated balance sheet		Consolidated income statement	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Deferred tax liabilities				
Depreciation	–	(385)	(397)	21
Provisions	–	159	159	5
Other	(40)	(40)	–	–
	(40)	(266)		
Deferred tax assets				
Provisions	891	821	(147)	(97)
Depreciation	(46)	124	170	(138)
Unutilised tax losses	161	209	–	(12)
Other	–	–	–	29
	1,006	1,154	(215)	(192)

26. DEFERRED TAXATION (CONTINUED)

Deferred tax assets

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

Unrecognised temporary differences relating to investments in subsidiaries and associate

At the end of the reporting period, no deferred tax liability (2014: nil) has been recognised for taxes that would be payable on the undistributed earnings and unremitted interest income of certain of the Group's investments as:

- the Group has determined that undistributed profits and unremitted interest income of its subsidiaries will not be distributed in the foreseeable future; and
- the Group's investment in associate is held by a wholly-owned subsidiary in the same tax jurisdiction, and the Group has determined that undistributed profit of the subsidiary will not be distributed in the foreseeable future.

Such temporary differences for which no deferred tax liabilities have been recognised aggregate to $18,847,000 (2014: $16,325,000). The deferred tax liability is estimated to be $2,324,000 (2014: $2,027,000).

Tax consequences of proposed dividends in prior year

There were no income tax consequences attached to the dividends to the shareholders proposed by the Company in the prior year but not recognised as a liability in the financial statements.

27. LOAN TO RELATED PARTY OF ASSOCIATE

The loan to related party of associate is secured by shares in the associate, bears interest at 4.0% per annum and is repayable in 2016. The loan is to be settled in cash.

28. SHARE CAPITAL

	Group and Company			
	2015	2015	2014	2014
	No. of shares		No. of shares	
	'000	$'000	'000	$'000
Ordinary shares issued and fully paid				
At 1 July and 30 June	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 have no par value and carry one vote per share without restriction.

29. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the Group's presentation currency, and the translation of monetary items that in substance forms part of the Company's net investment in the foreign operations.

30. NON-CONTROLLING INTERESTS

Included in the non-controlling interests as at 30 June 2014 are preference shares amounting to $124,000. During the financial year ended 30 June 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.

These preference shares were acquired by the Company during the financial year at no consideration.

31. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Cash on hand and at banks	5,555	5,176	3,545	175

Cash at banks earn interest at floating rates based on daily bank deposit rates.

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

	Group	
	2015 $'000	2014 $'000
Cash on hand and at banks	5,555	5,176
Bank overdrafts (Note 24)	(11,442)	(12,664)
	(5,887)	(7,488)

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, currency exchange risk and market price 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.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures its risks.

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 end of the reporting period, 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, including derivatives with positive fair values; and
- $156,856,000 (2014: $201,215,000) relating to corporate guarantees provided by the Company to banks on banking facilities granted to certain subsidiaries and associates.

The age analysis of the trade and other receivables that are past due at the end of the reporting periods but not impaired is as follows:

	Group		Company	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Within 30 days	3,899	2,890	–	–
31 to 60 days	2,136	950	–	–
61 to 90 days	1,166	3,780	2	–
More than 90 days	26,666	29,336	58	–
	33,867	36,956	60	–

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group.

The Group has (i) an approximately 81% (2014: 88%) of the trade receivables due from an associate in Indonesia and (ii) an approximately 8% (2014: 14%) of the financial assets due from a related party of associate in Indonesia.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risk are controlled and managed accordingly.

Interest rate risk

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 Group's exposure to interest rate risk arises primarily from bank borrowings which are subject to floating interest rates and are re-priced at intervals of less than one year.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts, and interest rate economic effect of converting borrowings from fixed rates to floating rates or vice versa.

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

	Group			
	Basis points		Increase in loss before tax	Increase in loss before tax
	2015	2014	2015 $'000	2014 $'000
Singapore dollar borrowings	75	75	(190)	(363)
Euro dollar borrowings	75	75	(28)	(59)
Malaysian dollar borrowings	75	75	(116)	(131)
US dollar borrowings	50	50	(17)	(41)

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 Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
Group				
2015				
Financial assets:				
Mandatory convertible bonds	–	7,149	–	7,149
Investment securities	1,642	–	–	1,642
Other receivables	–	–	260	260
Loan to related party of associate	–	5,757	–	5,757
Trade debtors	31,838	–	–	31,838
Other debtors	15,579	–	–	15,579
Cash on hand and at banks	5,555	–	–	5,555
	54,614	12,906	260	67,780
Financial liabilities:				
Trade and other creditors	51,355	–	–	51,355
Derivative financial liabilities	11	–	–	11
Finance lease creditors	184	271	–	455
Bank borrowings	52,975	504	–	53,479
Other liabilities	–	–	2,616	2,616
	104,525	775	2,616	107,916
2014				
Financial assets:				
Investment securities	2,724	–	–	2,724
Other receivables	–	–	260	260
Loan to related party of associate	–	17,930	–	17,930
Trade debtors	69,787	–	–	69,787
Other debtors	23,604	–	–	23,604
Cash on hand and at banks	5,176	–	–	5,176
	101,291	17,930	260	119,481
Financial liabilities:				
Trade and other creditors	58,569	–	–	58,569
Derivative financial liabilities	10	–	–	10
Finance lease creditors	183	460	–	643
Bank borrowings	77,834	7,742	–	85,576
Other liabilities	–	–	2,626	2,626
	136,596	8,202	2,626	147,424

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
Company				
2015				
Financial assets:				
Subsidiaries	–	–	16,083	16,083
Other debtors	31,536	–	–	31,536
Cash on hand and at banks	3,545	–	–	3,545
	35,081	–	16,083	51,164
Financial liabilities:				
Trade and other payables	1,840	–	–	1,840
Finance lease creditors	149	261	–	410
	1,989	261	–	2,250
2014				
Financial assets:				
Subsidiaries	–	–	27,690	27,690
Other debtors	78,413	–	–	78,413
Cash on hand and at banks	175	–	–	175
	78,588	–	27,690	106,278
Financial liabilities:				
Trade and other payables	2,234	–	–	2,234
Finance lease creditors	149	409	–	558
	2,383	409	–	2,792

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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 the 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 the end of the reporting period.

	USD $'000	CHF $'000	EURO $'000	SGD $'000	THB $'000	HKD $'000
Group						
2015						
Trade and other receivables	16,741	471	3,029	881	5,712	–
Trade and other payables	26,809	2,476	2,506	24,111	25	7,120
(Net borrowings) / net cash	(3,139)	(377)	(3,749)	2	–	–
2014						
Trade and other receivables	8,194	1,356	3,709	866	5,508	14,718
Trade and other payables	24,308	1,538	8,365	25,445	19	65
(Net borrowings) / net cash	(7,734)	(248)	(7,730)	12	–	–

	AUD $'000	THB $'000	RM $'000	HKD $'000	EURO $'000
Company					
2015					
Other receivables	2,955	4,769	12	26,030	50
2014					
Other receivables	3,360	4,602	1,316	30,477	57

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Currency exchange risk (continued)

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.

	2015		2014	
	Changes	Loss before tax (increase)/decrease $'000	Changes	Loss before tax (increase)/decrease $'000
USD	+5%	(660)	+5%	(1,192)
CHF	+5%	(119)	+5%	(22)
EURO	+5%	(161)	+5%	(619)
SGD	+5%	(1,161)	+5%	(1,228)
THB	+5%	284	+5%	274
HKD	+5%	(356)	+5%	733

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

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from its investment in quoted equity securities. These securities are quoted on the Singapore Exchange Securities Trading Limited (SGX-ST) in Singapore and are classified as held for trading financial assets.

Sensitivity analysis for equity price risk

At the balance sheet date, if the market price had been 5% (2014: 5%) higher/lower with all other variables held constant, the Group's loss before tax would have been approximately $74,000 lower/higher (2014: loss before tax would have been approximately $136,000 lower/higher), arising as a result of higher/lower fair value gains on held for trading investments in equity instruments.

33. FINANCIAL INSTRUMENTS

Carrying value of assets and liabilities

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

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Loans and receivables				
Subsidiaries	–	–	16,083	27,690
Mandatory convertible bonds	5,372	–	–	–
Loan to related party of associate	5,500	16,500	–	–
Other receivables	260	260	–	–
Trade debtors	31,838	69,787	–	–
Other debtors	15,579	23,604	31,536	78,413
Cash on hand and at banks	5,555	5,176	3,545	175
	64,104	115,327	51,164	106,278
Held for trading financial assets				
Investment securities	1,474	2,724	–	–
Available-for-sale financial assets				
Investment securities	168	–	–	–
Financial liabilities carried at fair value through profit and loss				
Derivative financial liabilities	11	10	–	–
Financial liabilities measured at amortised cost				
Trade and other creditors	51,355	58,569	1,840	2,234
Finance lease creditors	434	602	390	522
Bank borrowings	51,185	84,603	–	–
Other liabilities	2,616	2,626	–	–
	105,590	146,400	2,230	2,756

33. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of assets and liabilities

A. Fair Value Hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

B. Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group 2015			
	Fair value measurements at the end of the reporting period using:			
	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant other observable inputs (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Assets measured at fair value				
Financial assets:				
Held for trading financial assets				
Investment securities (quoted)	1,474	–	–	1,474
Financial assets as at 30 June 2015	1,474	–	–	1,474
Liabilities measured at fair value				
Financial liabilities:				
Financial liabilities carried at fair value through profit or loss				
Derivative financial liabilities	–	11	–	11
Financial liabilities as at 30 June 2015	–	11	–	11

33. FINANCIAL INSTRUMENTS (CONTINUED)

B. Assets and liabilities measured at fair value (continued)

	Group 2014			
	Fair value measurements at the end of the reporting period using:			
	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant other observable inputs (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Assets measured at fair value				
Financial assets:				
Held for trading financial assets				
Investment securities (quoted)	2,724	–	–	2,724
Financial assets as at 30 June 2014	2,724	–	–	2,724
Liabilities measured at fair value				
Financial liabilities:				
Financial liabilities carried at fair value through profit or loss				
Derivative financial liabilities	–	10	–	10
Financial liabilities as at 30 June 2014	–	10	–	10

There have been no transfers between Level 1 and Level 2 during the financial years ended 2015 and 2014.

C. Level 2 fair value measurements

Derivative financial liabilities (forward currency contracts) are valued by reference to current forward exchange rates for contracts with similar maturity profiles.

D. Assets and liabilities that are not carried at fair value and whose carrying amounts approximate fair values

Management has determined that the carrying amounts of loan to related party of associate, all current financial assets, financial liabilities, all bank borrowings and finance lease creditors reasonably approximate their fair values because these are either short term in nature or are repriced frequently.

The mandatory convertible bonds carry interest which approximates market interest rate. Accordingly the carrying amount approximates fair value.

33. FINANCIAL INSTRUMENTS (CONTINUED)

E. Assets and liabilities whose fair values are not determinable

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

The loan receivable from third party and the advance from an associate have no fixed terms of repayment. Accordingly, the fair values of the loan receivable from third party and the advance from an associate are not determinable as the timing of the future cash flow arising from them cannot be estimated reliably.

Fair value information has not been disclosed for the Group's investments in equity securities that are carried at cost because fair value cannot be measured reliably using valuation techniques. These equity securities represent ordinary shares in companies that are not quoted on any market and do not have any comparable industry peer that is listed. The Group does not intend to dispose of these investments in the foreseeable future.

34. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their channel of distribution, and has three reportable operating segments as follows:

i. The Ongoing Retail segment is involved in the operation of retail stores specialising in the retail of consumer fashion wear, accessories and timepieces.

ii. The Distribution segment is involved in the distribution of consumer fashion wear, accessories, home furnishings and timepieces.

iii. The Export segment is involved in the export of consumer fashion wear, accessories and timepieces.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are at terms agreed between parties involved in the transactions.

34. SEGMENT INFORMATION (CONTINUED)

Business segments

	Ongoing Retail $'000	Distribution $'000	Export $'000	Corporate and Others $'000	Elimination $'000	Group $'000
2015						
Sales to external consumers	193,361	39,998	60,048	–	–	293,407
Intersegment sales	–	6,017	8,530	–	(14,547)	–
Segment revenue	193,361	46,015	68,578	–	(14,547)	293,407
Segment results	(3,594)	(4,659)	2,003	(4,439)		(10,689)
Restructuring costs						(2,333)
Interest income						217
Interest expense						(3,227)
Share of results of associates, net of tax						2,156
Loss on disposal of subsidiary						(1,127)
Loss before taxation						(15,003)
Taxation						(629)
Net loss for the financial year						(15,632)
2014						
Sales to external consumers	221,505	68,571	78,124	–	–	368,200
Intersegment sales	–	9,952	4,943	–	(14,895)	–
Segment revenue	221,505	78,523	83,067	–	(14,895)	368,200
Segment results	(6,078)	(6,294)	4,000	(6,228)		(14,600)
Interest income						654
Interest expense						(3,572)
Share of results of associates, net of tax						(1,686)
Loss before taxation						(19,204)
Taxation						(2,892)
Net loss for the financial year						(22,096)

34. SEGMENT INFORMATION (CONTINUED)

Business segments (continued)

	Ongoing Retail $'000	Distribution $'000	Export $'000	Corporate and Others $'000	Group $'000
2015					
Segment assets	110,955	33,944	20,537	12,275	177,711
Investment in associates	–	–	–	3,138	3,138
	110,955	33,944	20,537	15,413	180,849
Unallocated assets					9,791
Total assets					190,640
Segment liabilities	41,203	7,913	12,826	866	62,808
Unallocated liabilities					42,876
Total liabilities					105,684
Capital expenditure	4,206	242	10	33	4,491
Depreciation	6,539	720	465	472	8,196
2014					
Segment assets	123,013	36,388	42,036	26,410	227,847
Investment in associates	–	–	–	988	988
	123,013	36,388	42,036	27,398	228,835
Unallocated assets					20,209
Total assets					249,044
Segment liabilities	44,529	8,924	16,767	1,023	71,243
Unallocated liabilities					75,947
Total liabilities					147,190
Capital expenditure	13,974	1,102	1,475	6	16,557
Depreciation	6,893	1,250	504	594	9,241

34. SEGMENT INFORMATION (CONTINUED)

Assets and liabilities which are common and cannot be meaningfully allocated to the business segments are presented as unallocated assets and liabilities, as shown in the table below.

	2015 $'000	2014 $'000
Unallocated assets		
Loan to related party of associate	5,500	16,500
Other receivables	260	260
Deferred tax assets	1,006	1,154
Tax recoverable	3,025	2,295
	9,791	20,209
Unallocated liabilities		
Finance lease creditors	434	602
Bank borrowings (excluding bank overdrafts)	39,743	71,939
Provision for taxation	43	514
Other liabilities	2,616	2,626
Deferred tax liabilities	40	266
	42,876	75,947

Geographical segments

Revenue, non-current assets and capital expenditure information based on geographical location of customers and assets respectively are as follows:

	Southeast Asia $'000	North Asia $'000	Other $'000	Group $'000
2015				
Turnover	274,288	9,763	9,356	293,407
Other geographical information:				
Non-current assets	55,583	233	401	56,217
Capital expenditure	4,259	210	22	4,491
2014				
Turnover	317,810	39,858	10,532	368,200
Other geographical information:				
Non-current assets	40,803	8,660	595	50,058
Capital expenditure	16,132	338	87	16,557

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 2022 and contain provisions for rental adjustments, renewal options, as well as commitments for additional lease payments when turnover of certain retail outlets exceeds pre-determinable levels. There was turnover rent of $1,901,000 (2014: $2,519,000) 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	
	2015	**2014**
	$'000	**$'000**
Within one year	36,438	53,162
Between one year to five years	48,882	85,185
Later than five years	1,215	2,792
	86,535	141,139

36. CONTINGENT LIABILITIES, UNSECURED

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

37. COMMITMENTS

As at 30 June 2015, 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 2015, the Group has outstanding forward contracts with settlement dates within the next one year of USD 1,953,000 (2014: USD 6,699,000).

38. RELATED PARTY TRANSACTIONS 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:

	2015 $'000	2014 $'000
Sale of goods to associate	55,190	69,136
Market support and administrative service income from associate	606	9,144
Purchase of goods from associate	–	39
Directors' fees		
– Directors of the Company	325	285
Remuneration of key management personnel comprising short-term employee benefits:		
– Directors of the Company	2,158	2,242
– Other directors of subsidiaries	2,565	3,262
– Non directors	274	403
	4,997	5,907

Provident fund contributions of $147,000 (2014: $156,000) are included in remuneration of key management personnel.

39. CAPITAL MANAGEMENT

The Group aims to maintain 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 2015 and 30 June 2014. The Group has complied with bank covenants, relating to net equity arising from its borrowings for the financial years 30 June 2015 and 30 June 2014.

The Group monitors capital using a gearing ratio and return on equity. Gearing ratio is computed as net debt divided by total equity attributable to equity holders of the Company while return on equity is computed as net loss attributable to equity holders of the Company for the financial year divided by the total equity attributable to equity holders of the Company. Net debt is calculated as borrowings less cash on hand and at banks.

39. CAPITAL MANAGEMENT (CONTINUED)

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

	Group	
	2015	**2014**
	$'000	**$'000**
Bank borrowings	51,185	84,603
Finance lease creditors	434	602
Less: cash on hand and at banks	(5,555)	(5,176)
Net debt	46,064	80,029
Equity attributable to equity holders of the Company	84,956	102,620
Net loss attributable to equity holders of the Company for the financial year	(16,988)	(22,102)
Gearing ratio	54.2%	78.0%
Return on equity	-20.0%	-21.5%

40. DIVIDENDS

	Group and Company	
	2015	**2014**
	$'000	**$'000**
Paid during the financial year:		
First and final dividend (one-tier tax exempt) for financial year 2014: 0.25 cent [2013: 0.5 cent (one-tier tax exempt)] per ordinary share	1,422	2,844
Proposed but not recognised as a liability as at 30 June:		
First and final dividend (one-tier tax exempt) for financial year 2015: nil [2014: 0.25 (one-tier tax exempt)] per ordinary share	–	1,422

41. COMPARATIVES

Certain comparative figures have been reclassified to conform to the current year's presentation. The effects of such reclassification are as follows:

	Group	
	As restated $'000	As previously disclosed $'000
Income Statement		
Other income, net	8,845	10,195
Exceptional items	–	(1,350)

42. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 30 June 2015 were authorised for issue in accordance with a resolution of the Directors dated 22 September 2015.

STATISTICS OF SHAREHOLDINGS

AS AT 14 SEPTEMBER 2015

SHARE CAPITAL

Number of Equity Securities	:	568,709,857
Number of Treasury Shares	:	Nil
Class of Equity Shares	:	Ordinary shares
Voting Rights	:	One Vote per share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	37	0.80	1,637	0.00
100 - 1,000	802	17.35	788,081	0.14
1,001 - 10,000	2,127	46.01	11,693,861	2.05
10,001 - 1,000,000	1,629	35.24	107,132,638	18.84
1,000,001 AND ABOVE	28	0.60	449,093,640	78.97
TOTAL	4,623	100.00	568,709,857	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	DBS NOMINEES (PRIVATE) LIMITED	99,429,900	17.48
2	LIM ENG HOCK	65,000,000	11.43
3	RAFFLES INVESTMENTS LIMITED	62,280,000	10.95
4	BENJAMIN FRANK	39,191,000	6.89
5	WESTERN PROPERTIES PTE LTD	28,050,000	4.93
6	UOB KAY HIAN PRIVATE LIMITED	25,541,000	4.49
7	BNP PARIBAS SECURITIES SERVICES SINGAPORE BRANCH	19,428,950	3.42
8	SSP INNOVATIONS PTE LTD	19,264,000	3.39
9	BENJAMIN ELI MANASSEH *	17,310,050	3.04
10	KESTREL CAPITAL (HONG KONG) LIMITED	9,312,000	1.64
11	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	9,027,040	1.59
12	RAFFLES NOMINEES (PTE) LIMITED	8,079,100	1.42
13	CITIBANK NOMINEES SINGAPORE PTE LTD	7,120,300	1.25
14	LIM YEW HOE	6,399,000	1.13
15	DB NOMINEES (SINGAPORE) PTE LTD	4,439,000	0.78
16	BANK OF SINGAPORE NOMINEES PTE. LTD.	4,222,000	0.74
17	OCBC SECURITIES PRIVATE LIMITED	3,582,000	0.63
18	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	2,853,000	0.50
19	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	2,661,080	0.47
20	MAYBANK KIM ENG SECURITIES PTE. LTD.	2,497,220	0.44
	TOTAL	435,686,640	76.61

* Excludes 7,000,000 shares held in a nominee's name.

SUBSTANTIAL SHAREHOLDERS AS RECORDED IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

		DIRECT INTEREST	%	DEEMED INTEREST	%
1.	Lim Eng Hock	65,000,000	11.43	35,641,000	6.27
2.	Segulah Pte Ltd @	91,937,900	16.17	–	–
3.	Raffles Investments Limited #	62,280,000	10.95	–	–
4.	Frank Benjamin	39,191,000	6.89	–	–
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.	Aequitas Pte Ltd #	–	–	62,280,000	10.95
10.	Kambau Pte Ltd #	–	–	62,280,000	10.95
11.	Siong Lim Private Limited #	–	–	62,280,000	10.95
12.	Tecity Pte Ltd #	–	–	62,280,000	10.95
13.	Dr Tan Kheng Lian #	–	–	62,280,000	10.95
14.	Mavis Benjamin, Mrs	–	–	39,191,000	6.89

@ 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.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

Based on the information available to the Company, as at 14 September 2015, approximately 43.91% 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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of F J Benjamin Holdings Ltd ("the Company") will be held at Topaz/Opal Room, Level 2, Sheraton Towers Singapore Hotel, 39 Scotts Road, Singapore 228230 on Wednesday, 28 October 2015 at 2.30 p.m. for the following purposes:

(A) ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Financial Statements of the Company for the year ended 30 June 2015 together with the Auditor's Report thereon. **(Resolution 1)**

2. To re-elect the following directors who will be retiring by rotation under Article 102 of the Articles of Association of the Company:

   Mr Chew Kwee San **(Resolution 2)**
   Mr Daniel Ong Jen Yaw **(Resolution 3)**

3. To re-appoint the following directors who will be retiring under Section 153(6) of the Companies Act Chapter 50 of Singapore (the "Companies Act"), to hold office from the date of this Annual General Meeting until the next Annual General Meeting of the Company.

   Mr Frank Benjamin **(Resolution 4)**
   Mr Keith Tay Ah Kee **(Resolution 5)**

   Such re-appointment will no longer be subject to the shareholders' approval under Section 153(6) of the Companies Act as repealed when the Companies (Amendment) Act 2014 comes into force. Mr Frank Benjamin and Mr Keith Tay will then be subject to retirement by rotation under the Company's Articles of Association.

4. To approve additional directors' fees of S$12,000 for the year ended 30 June 2015. **(Resolution 6)**

5. To approve the sum of up to S$425,000 to be paid as directors' fees for the year ending 30 June 2016 (FY2015: up to S$325,000). **(Resolution 7)**

6. To re-appoint Messrs Ernst & Young LLP as Auditor of the Company and to authorise the directors to fix their remuneration. **(Resolution 8)**

(B) SPECIAL BUSINESS

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

7. **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 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) securities, 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) 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 shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (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 any instruments made or granted pursuant to this Resolution) shall not exceed 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company (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 total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) any new shares arising from the conversion or exercise of any instruments or convertible securities;

(b) any 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;

(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 listing rules of the SGX-ST as may for the time being be applicable (unless such compliance has been waived by the SGX-ST) 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. **(Resolution 9)**

8. **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 Purchase"), transacted on the SGX-ST through the ready market, through one (1) or more duly licensed stock brokers appointed by the Company for that purpose; and/or

(ii) off-market purchase(s) ("Off-Market Purchase") in accordance with an equal access scheme, as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");

(b) 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 on the earlier of:

(i) the date on which 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; or

(iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Shareholders of the Company in a general meeting.

(c) in this Ordinary Resolution:

"Maximum Limit" means the number of issued shares representing 8% 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 listing rules of the SGX-ST for any corporate action which occurs after the relevant five (5) Market Days; and

(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/she 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.

(Resolution 10)

By Order of the Board

Karen Chong Mee Keng
Company Secretary

Singapore,
13 October 2015

Explanatory Notes:

Ordinary Resolution 2 is to re-elect Mr Chew Kwee San who will be retiring by rotation under Article 102 of the Articles of Association of the Company. Mr Chew Kwee San will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and Remuneration Committee and will be considered non-executive and non-independent.

Ordinary Resolution 3 is to re-elect Mr Daniel Ong Jen Yaw who will be retiring by rotation under Article 102 of the Articles of Association of the Company. Mr Daniel Ong will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and Nominating Committee and will be considered independent.

Ordinary Resolutions 4 and 5 are to re-appoint directors who are over 70 years of age and if passed, they will hold office until the next Annual General Meeting. Mr Frank Benjamin will, upon re-appointment as a Director of the Company, remain as Chairman of the Executive Committee and a member of the Nominating Committee and will be considered non-independent. Mr Keith Tay 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 the Executive Committee and will be considered independent.

Ordinary Resolution 6 is to seek approval for the additional directors' fees of S$12,000 for the financial year ended 30 June 2015. The directors' fees for the financial year ended 30 June 2015 were approved at the last Annual General Meeting held on 20 October 2014. The additional directors' fees arise from fees payable for additional unscheduled meetings held due to the establishment of an ad-hoc committee during the financial year. There are no changes to the rates of fees for the Directors.

Ordinary Resolution 7 is to seek approval for a sum of S$425,000 to be paid as directors' fees for the financial year ending 30 June 2016 (up to S$325,000 for the preceding financial year). The increase of S$100,000 over the sum approved for the previous year is to cater for any unforeseen circumstances, for example, the appointment of additional directors or additional members to Board committee(s), or additional unscheduled Board and/or Board committee meetings.

Ordinary Resolution 9 is to empower the directors to issue shares, make or grant Instruments 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) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to existing shareholders.

For the purpose of determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company 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.

Ordinary Resolution 10 is to renew the mandate to allow the Company to purchase or otherwise acquire (whether by way of market purchases or off-market purchases) shares on the terms of the Share Purchase Mandate as set out in the attached letter to shareholders of the Company (the "Letter"). The authority conferred by the shareholders of the Company will continue in force until (i) the date of the next Annual General Meeting of the Company, (ii) the date by which the next Annual General Meeting of the Company is required by law to be held, or (iii) 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 earliest, unless previously revoked or varied by the Company in a general meeting.

Apart from using its internal sources 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 purchases by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Group for the financial year ended 30 June 2015 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 one or two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. If the appointor is a corporation, the instrument appointing a proxy must be executed either under seal or the hand of its duly authorised attorney.

2. 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 the holding of the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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 (Nash) Benjamin, *Chief Executive Officer*
Douglas Jackie Benjamin, *Executive Director*
Karen Chong Mee Keng, *Executive Director*
Ng Hin Lee, *Independent Director*
Wong Ai Fong, *Independent Director*
Chew Kwee San, *Non-Executive Director*
Daniel Ong Jen Yaw, *Independent Director*

Registered Office:
10 Science Park Road
#04-01 The Alpha
Singapore Science Park II
Singapore 117684

13 October 2015

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 annual general meeting of the Company ("**AGM**") dated 13 October 2015 (the "**Notice of AGM**") convening the AGM to be held on 28 October 2015 (the "**2015 AGM**"), and (b) the ordinary resolution number 10 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 2015 AGM.

1.3 SGX-ST

The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") assumes no responsibility for the accuracy or correctness of any of the statements made, opinions expressed or reports contained in this Letter.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 The Share Purchase Mandate

Any purchase or acquisition of Shares by the Company would have to be made in accordance with and in the manner prescribed by the Companies Act (Chapter 50) of Singapore (the "**Companies Act**"), its Memorandum and Articles, the rules of the Listing Manual and such other laws and regulations as may, for the time being, be applicable.

It is also a requirement that a company which wishes to purchase or acquire its own shares should obtain approval of its shareholders to do so at a general meeting. At the extraordinary general meeting of the Company ("**EGM**") held on 29 October 2007, Shareholders approved a Share Purchase Mandate (as defined herein) to allow the Company to purchase or otherwise acquire its issued Shares (as defined herein). The Share Purchase Mandate was subsequently renewed at the AGMs of the Company in each subsequent year, including the AGM held on 20 October 2014 (the "**2014 AGM**"). The rationale for, the authority and limitations on, and the financial effects of, the renewal of the mandate at the 2014 AGM (the "**2014 Share Purchase Mandate**") were set out in the Company's Letter to Shareholders dated 3 October 2014.

The authority conferred pursuant to the 2014 Share Purchase Mandate may be exercised by the Directors at any time during the period commencing from the date of the 2014 AGM and expiring on the date (a) when the next AGM of the Company is held or required by law to be held, (b) the date on which the purchases or acquisitions of Shares pursuant to the 2014 Share Purchase Mandate are carried out to the full extent mandated or (c) the date on which the authority conferred by the 2014 Share Purchase Mandate is revoked or varied by the Shareholders in a general meeting, whichever is earliest.

Accordingly, the Directors are seeking the approval of Shareholders for the renewal of the Share Purchase Mandate at the 2015 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 8% 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 return on equity ("**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; and

(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 8% limit during the duration referred to in **paragraph 2.3(b)** below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 8% limit as authorised and the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate will 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 2015 AGM, are similar in terms to those previously approved by Shareholders at the 2014 AGM, and for the benefit of Shareholders, are summarised below:

(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 8% of the total number of Shares (ascertained as at the date of the 2015 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 8% limit.

For illustrative purposes only, on the basis of 568,709,857 Shares in issue as at the Latest Practicable Date (as defined herein) and assuming no further Shares are issued on or prior to the date of the 2015 AGM, not more than 45,496,789 Shares (representing approximately 8% 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 2015 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 (1) or more duly licensed stock brokers appointed by the Company for that purpose; and/or

(ii) an off-market acquisition ("**Off-Market Purchase**") in accordance with an equal access scheme as defined in 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 (as defined herein) 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

(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; and (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Pursuant to Rule 885 of the Listing Manual, 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 (as defined herein) or other applicable take-over rules;

(5) whether the purchases or acquisitions of Shares, if made, could affect the listing of the Shares on the SGX-ST;

(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 in accordance with an equal access scheme), 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; and

(7) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

(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.

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 Companies Act, where Shares purchased or acquired by the Company are cancelled, the Company shall:

(i) reduce the amount of its share capital where the Shares were purchased out of the capital of the Company;

(ii) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or

(iii) reduce the amount of its share capital and profits proportionately where the Shares were purchased out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled. Shares which are cancelled will be automatically delisted, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following such cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are cancelled and not held as treasury shares.

Under Rule 704(28) of 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, 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, and the value of the treasury shares used in each such usage.

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 of Companies.

The Company shall notify the Registrar of Companies within 30 days of a purchase of Shares by the Company on the SGX-ST or otherwise. Such notification shall include the date of the purchases, the total number of Shares purchased by the Company, the number of Shares cancelled and/or held as treasury shares, 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.

Rule 886 of the Listing Manual specifies 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 acquisitions 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 (as defined herein) and in accordance with the applicable laws in Singapore. The Company may not purchase its Shares for 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 net tangible assets ("**NTA**") and earnings per Share ("**EPS**") as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchases or acquisitions are 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.

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 2015 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 date of the 2015 AGM, not more than 45,496,789 Shares (representing approximately 8% 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 45,496,789 Shares at the Maximum Price of S$0.12 for a Share (being the price equivalent to 5% above the average of the closing market prices of the Shares for the five (5) 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 45,496,789 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately S$5.46 million; and

(c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 45,496,789 Shares at the Maximum Price of S$0.13 for a Share (being the price equivalent to 20% above the average of the closing market prices of the Shares on the five (5) 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 45,496,789 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately S$5.92 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 by internal sources of funds and external borrowings; (ii) the Share Purchase Mandate had been effective on 30 June 2015; and (iii) the Company had purchased or acquired 45,496,789 Shares (representing approximately 8% of the total number of issued Shares of the Company at the Latest Practicable Date) on 30 June 2015, the financial effects of the purchase or acquisition of 45,496,789 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 2015 are set out below:

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

(A) 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 2015				
Issued capital and reserves	84,956	84,956	113,972	113,972
Treasury shares	–	(5,460)	–	(5,460)
Total shareholders' equity	84,956	79,496	113,972	108,512
NTA	84,956	79,496	113,972	108,512
Loss after taxation and minority interest	(15,632)	(15,632)	(53,778)	(53,778)
Net debt / (cash)	46,064	51,524	(3,155)	390
Number of Shares ('000)	568,710	568,710	568,710	568,710
<u>Financial Ratios</u>				
NTA per Share (cents)	14.94	13.98	20.04	19.08
Gross debt gearing (%)	60.76	64.93	0.34	0.36
Net debt gearing (%)	54.22	64.81	(2.77)	0.36
Current ratio (times)	1.31	1.26	17.76	15.00
Loss before interest, tax, depreciation and amortisation divided by interest expenses (times)	(1.18)	(1.18)	(3,343)	(3,343)
Basic (LPS) / EPS (cents)				
(before exceptional items)	(2.75)	(2.75)	0.12	0.12
(after exceptional items)	(2.75)	(2.75)	(9.46)	(9.46)
ROE (%)	(18.40)	(19.66)	(47.19)	(49.56)

(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 2015				
Issued capital and reserves	84,956	84,943	113,972	113,959
Treasury shares	–	(5,915)	–	(5,915)
Total shareholders' equity	84,956	79,028	113,972	108,044
NTA	84,956	79,028	113,972	108,044
Loss after taxation and minority interest	(15,632)	(15,645)	(53,778)	(53,791)
Net debt / (cash)	46,064	51,979	(3,155)	750
Number of Shares ('000)	568,710	568,710	568,710	568,710
Financial Ratios				
NTA per Share (cents)	14.94	13.90	20.04	19.00
Gross debt gearing (%)	60.76	65.77	0.34	0.69
Net debt gearing (%)	54.22	65.77	(2.77)	0.69
Current ratio (times)	1.31	1.26	17.76	12.58
Loss before interest, tax, depreciation and amortisation divided by interest expenses (times)	(1.18)	(1.17)	(3,343)	(1,844)
Basic (LPS) / EPS (cents)				
(before exceptional items)	(2.75)	(2.75)	0.12	0.13
(after exceptional items)	(2.75)	(2.75)	(9.46)	(9.46)
ROE (%)	(18.40)	(19.80)	(47.19)	(49.79)

(2) Purchases made entirely out of capital and cancelled

(A) 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 2015				
Issued capital and reserves / Total shareholders' equity	84,956	79,496	113,972	108,512
NTA	84,956	79,496	113,972	108,512
Loss after taxation and minority interest	(15,632)	(15,632)	(53,778)	(53,778)
Net debt /(cash)	46,064	51,524	(3,155)	390
Number of Shares ('000)	568,710	523,213	568,710	523,213
Financial Ratios				
NTA per Share (cents)	14.94	15.19	20.04	20.74
Gross debt gearing (%)	60.76	64.93	0.34	0.36
Net debt gearing (%)	54.22	64.81	(2.77)	0.36
Current ratio (times)	1.31	1.26	17.76	15.00
Loss before interest, tax, depreciation and amortisation divided by interest expenses (times)	(1.18)	(1.18)	(3,343)	(3,343)
Basic (LPS) / EPS (cents)				
(before exceptional items)	(2.75)	(2.99)	0.12	0.13
(after exceptional items)	(2.75)	(2.99)	(9.46)	(10.28)
ROE (%)	(18.40)	(19.66)	(47.19)	(49.56)

(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**
2015				
Issued capital and reserves / Total shareholders' equity	84,956	79,028	113,972	108,044
NTA	84,956	79,028	113,972	108,044
Loss after taxation and minority interest	(15,632)	(15,645)	(53,778)	(53,791)
Net debt / (cash)	46,064	51,979	(3,155)	750
Number of Shares ('000)	568,710	523,213	568,710	523,213
Financial Ratios				
NTA per Share (cents)	14.94	15.10	20.04	20.65
Gross debt gearing (%)	60.76	65.77	0.34	0.69
Net debt gearing (%)	54.22	65.77	(2.77)	0.69
Current ratio (times)	1.31	1.26	17.76	12.58
Loss before interest, tax, depreciation and amortisation divided by interest expenses (times)	(1.18)	(1.17)	(3,343)	(1,844)
Basic (LPS) / EPS (cents)				
(before exceptional items)	(2.75)	(2.99)	0.12	0.13
(after exceptional items)	(2.75)	(2.99)	(9.46)	(10.28)
ROE (%)	(18.40)	(19.80)	(47.19)	(49.79)

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 8% of its issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 8% 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.

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 persons 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, its 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, but only in respect of the investment account which such person manages;

(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.

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 Rule 14 and 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.

Any Shares held by the Company as treasury shares shall be excluded from the calculation of the percentages of voting rights under the Take-over Code referred to above.

Based on the Register of Directors' Shareholdings and the issued share capital of the Company as at the Latest Practicable Date, none of the Directors and persons acting in concert with them 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 8% of its issued Shares as at the Latest Practicable Date.

As at the Latest Practicable Date, the Directors are not aware of any other fact(s) or factor(s) which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, persons acting in concert such that their respective interests in Shares should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate.

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 of Directors 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 (1) month immediately preceding the announcement of the Company's full year financial statements; and

(b) two (2) weeks immediately preceding the announcement of the Company's financial statements for each of the first three (3) quarters of its financial year.

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 or its Subsidiaries, as well as the associates of the foregoing.

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, approximately 249,731,907 Shares, representing 43.91% of the issued Shares, are in the hands of the public. Assuming that the Company purchases its Shares from the public through Market Purchases up to the full 8% limit pursuant to the Share Purchase Mandate, the number of Shares in the hands of the public would be reduced to 204,235,118 Shares, representing 39.03% 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 8% 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 2014 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:

	Number of Shares		Total Percentage
Director	**Direct Interest**	**Deemed Interest**	**Interest (%)**
Frank Benjamin	39,191,000	–	6.89
Eli Manasseh (Nash) Benjamin (1)	17,310,050	7,000,000	4.27
Keith Tay Ah Kee	256,000	–	0.05
Douglas Jackie Benjamin (2)	–	130,000	0.02
Wong Ai Fong (3)	–	35,000	0.01
Karen Chong Mee Keng	–	–	–
Ng Hin Lee	–	–	–
Chew Kwee San	–	–	–
Daniel Ong Jen Yaw	–	–	–

(1) Eli Manasseh (Nash) Benjamin – deemed interest - The shares are held in a nominee's name.
(2) Douglas Jackie Benjamin – 10,000 shares are held in his spouse's name, 40,000 shares are held in a nominee's name and 80,000 shares are purchased under the CPF Investment Scheme.
(3) Wong Ai Fong – The shares are purchased under the CPF Investment Scheme and managed by a nominee.

3.2 Substantial Shareholders' Interests

The interests of the substantial shareholders of the Company (other than those who are Directors) in the Shares as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date are set out below:

	Number of Shares		Total Percentage
Substantial Shareholder	**Direct Interest**	**Deemed Interest**	**Interest (%)**
Lim Eng Hock (4)	65,000,000	35,641,000	17.70
Segulah Pte Ltd	91,937,900	–	16.17
Temasek Holdings (Private) Ltd (5)	–	91,937,900	16.17
DBS Trustee Limited (5)	–	91,937,900	16.17
DBS Group Holdings Limited (5)	–	91,937,900	16.17
DBS Bank Ltd. (5)	–	91,937,900	16.17
Raffles Investments Limited	62,280,000	–	10.95
Aequitas Pte Ltd (6)	–	62,280,000	10.95
Kambau Pte Ltd (6)	–	62,280,000	10.95
Siong Lim Private Limited (6)	–	62,280,000	10.95
Tecity Pte Ltd (6)	–	62,280,000	10.95
Dr Tan Kheng Lian (6)	–	62,280,000	10.95
Mavis Benjamin (7)	–	39,191,000	6.89

(4) Lim Eng Hock – deemed interest - The shares are held in nominees' names and by related companies.
(5) 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.
(6) 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.
(7) Mavis Benjamin – Mavis Benjamin is the spouse of Frank Benjamin and therefore deemed interested in the shares held by Frank Benjamin.

4. ANNUAL GENERAL MEETING

The 2015 AGM of the Company, notice of which is set out in pages 126 to 131 of the 2015 Annual Report, will be held on 28 October 2015 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.

5. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of ordinary resolution number 10, 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 full responsibility for the accuracy of the information given in this Letter and confirm, after making all reasonable enquires that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the renewal of the Share Purchase Mandate, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading.

Where information in the Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

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 2015 AGM:

(a) the Memorandum and Articles; and

(b) the 2015 Annual Report.

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

Frank Benjamin
Executive Chairman

SCHEDULE - DEFINITIONS

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

"**2014 AGM**"	:	The annual general meeting of the Company held on 20 October 2014
"**2014 Share Purchase Mandate**"	:	The Share Purchase Mandate renewed at the 2014 AGM
"**2015 AGM**"	:	The annual general meeting of the Company to be held on 28 October 2015
"**2015 Annual Report**"	:	The annual report of the Company for the financial year ended 30 June 2015
"**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) Limited
"**Companies Act**"	:	The Companies Act (Chapter 50 of Singapore)
"**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**"	:	14 September 2015, 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
"**Market Purchase**"	:	Shall have the meaning ascribed to it in **paragraph 2.3(c)(i)**
"**Maximum Price**"	:	Shall have the meaning ascribed to it in **paragraph 2.3(d)**
"**Memorandum**"	:	The Memorandum of Association of the Company

"**Notice of AGM**"	:	The notice of the 2015 AGM
"**NTA**"	:	Net tangible assets
"**Off-Market Purchase**"	:	Shall have the meaning ascribed to it in **paragraph 2.3(c)(ii)**
"**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
"**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**"	:	Shall have the meaning ascribed to it in the Companies Act
"**Take-over Code**"	:	The Singapore Code on Take-overs and Mergers
"**S$**" and "**cents**"	:	Singapore dollars and cents, respectively
"**%**"	:	Percentage or per centum

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.

Any discrepancy in the tables in this Letter between the listed amounts and the totals or percentages thereof are due to rounding.

F J BENJAMIN HOLDINGS LTD
(Company Registration No.: 197301125N)
(Incorporated In The Republic of Singapore)

IMPORTANT:
1. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their 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 Annual General 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.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We,____NRIC/PassportNo.:__________________________

of____

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

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

and/or (delete as appropriate)

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

or failing the person, or either or both of the persons, referred to above , the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at Topaz/Opal Room, Level 2, Sheraton Towers Singapore Hotel, 39 Scotts Road, Singapore 228230 on Wednesday, 28 October 2015 at 2.30 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

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

No.	Resolutions relating to:	For	Against
1	Directors' Report and Audited Financial Statements for the year ended 30 June 2015		
2	Re-election of Mr Chew Kwee San as a Director		
3	Re-election of Mr Daniel Ong Jen Yaw as a Director		
4	Re-appointment of Mr Frank Benjamin as a Director		
5	Re-appointment of Mr Keith Tay Ah Kee as a Director		
6	Approval of additional directors' fees of S$12,000 for the year ended 30 June 2015		
7	Approval of a sum of up to S$425,000 to be paid as directors' fees for the year ending 30 June 2016		
8	Re-appointment of Messrs Ernst & Young LLP as Auditor of the Company		
9	Authority to issue shares		
10	Renewal of Share Purchase Mandate		

Dated this ___________ day of ___________ 2015

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

____

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

* *Delete where inapplicable*

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.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 October 2015.

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.

OPERATIONS DIRECTORY

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