



ANNUAL
REPORT
2021/22



FJ BENJAMIN



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This Annual Report has been prepared by F J Benjamin Holdings Ltd (the "Company") and its contents have been reviewed by the Company's sponsor (the "Sponsor"), ZICO Capital Pte. Ltd., in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.

This Annual Report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Annual Report including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Ms Goh Mei Xian, Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

CORPORATE PROFILE

With a rich heritage dating back to 1959, 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 Southeast Asia. Headquartered in Singapore and listed on the Mainboard of Singapore Exchange since 1996, the Company transferred its listing to the Catalist Board of Singapore Exchange on 2 March 2021. F J Benjamin has offices in four cities, manages over 20 iconic brands and operates 144 stores.



The Group employs 1,600 employees in Singapore, Malaysia and Indonesia (under its associate company) and runs three core businesses:

LUXURY AND LIFESTYLE FASHION RETAILING AND DISTRIBUTION

F J Benjamin exclusively retails and distributes brands such as Babyzen, Be Safe, Cole Haan, EZPZ, Fauré Le Page, Guess, La Senza, Lancel, Marc Jacobs, Moby, Petunia Pickle Bottom, Pretty Ballerinas, Rebecca Minkoff, Sheridan and Superdry across various territories.

TIMEPIECE DISTRIBUTION

F J Benjamin exclusively distributes timepiece brands – Alpina, Casio (in Indonesia only), Frédérique Constant, Gc, Guess, Nautica and Victorinox Swiss Army across Southeast Asia.

BEAUTY, HEALTH AND WELLNESS RETAILING AND DISTRIBUTION

F J Benjamin exclusively retails and distributes brands such as Dr. Barbara Sturm and MZ Skin, as well as air purifier Airfree in Singapore and Malaysia.

CORPORATE DIRECTORY

REGISTERED OFFICE

1 Jalan Kilang Timor, #07-01/02
Pacific Tech Centre
Singapore 159303
Tel: (65) 6737 0155
Fax: (65) 6235 9605
Email: info@fjbenjamin.com
Website: www.fjbenjamin.com

DIRECTORS

Mr Frank Benjamin

Non-Executive Chairman

Mr Eli Manasseh (Nash) Benjamin

Executive Director and
Chief Executive Officer

Mr Douglas Jackie Benjamin

Executive Director and
Chief Operating Officer

Mr Ng Hin Lee

Lead Independent Director

Mr Liew Choon Wei

Independent Director

Mr Yee Kee Shian, Leon

Independent Director

COMPANY SECRETARY

Ms Karen Chong Mee Keng

SHARE REGISTRAR

Boardroom Corporate & Advisory
Services Pte Ltd
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

AUDITORS

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner: Mr Ang Chuen Beng
(from financial year ended 30 June 2022)

SOLICITORS

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

PRINCIPAL BANKERS

DBS Bank Ltd
Malayan Banking Berhad
RHB Bank Berhad
Standard Chartered Bank
The Hongkong and Shanghai Banking
Corporation Limited
United Overseas Bank Limited

SPONSOR

ZICO Capital Pte. Ltd.
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

CHAIRMAN'S REVIEW



"WE ARE NOW BEGINNING TO REAP THE FRUITS OF OUR RESTRUCTURING EFFORTS WHICH HAVE INVOLVED CEASING LOSS-MAKING BRANDS AND STORES IN THE PAST SEVERAL YEARS."

Dear Shareholders,

I am pleased to report that F J Benjamin (FJB) returned to profitability in the financial year ended 30 June 2022 (FY22) despite a still challenging operating environment. The nearly \$3.0 million in net attributable profit was a welcome relief following the devastating blow to the retail industry dealt by the global COVID-19 pandemic.

The easing of restrictions and reopening of borders during the second half of FY22 were undoubtedly major factors behind the recovery, but the seeds had been planted long before the outbreak of COVID-19. We are now beginning to reap the fruits of our restructuring efforts which have involved ceasing loss-making brands and stores in the past several years.

Strategically, we have, even before the pandemic hit, started to diversify our income streams so that we are not overly dependent on fashion. Our wellness and skincare brands, namely Airfree, Dr. Barbara Sturm and MZ Skin, although launched in the last two years, were planned and negotiated prior.

Our omnichannel strategy was also in the works, and COVID-19 gave us the opportunity to persuade our principals to let us take some of the brands online. The latest label in our online portfolio is Cole Haan, the iconic US footwear and accessories brand.

In FY22, our turnover from online channels accounted for 6% of total sales in Singapore and 3% in Malaysia, coming from 14 brands, up from nine previously. While still small, e-commerce will become

an increasingly important part of the retail mix, and the Group will increase our online presence and improve our omnichannel execution so that there is seamless online and offline experiences over multiple channels.

We will continue to diversify whether by expanding into new businesses or geographies. We recognise that entering uncharted territories is not without risk and we wish to assure our shareholders that the intention is not to stray from our core competence, which is brand management of lifestyle and luxury products that bring delight to our customers. Instead we will continue to leverage existing business relationships and work with partners who share our customer-centric, value creation approach.

There is no doubt that the Group has seen better days. Although our prospects have brightened up with the reopening of economies, we view it as our solemn mission to scale previous highs in our business performance, and to even exceed them.

CAPITAL INFUSION

During the year, FJB raised net proceeds of \$2.9 million from Western Properties, a member of the Far East Organization, via a share placement for working capital.

Far East Organization, the largest private property developer in Singapore, develops, owns and manages a diverse spectrum of real estate in the residential, hospitality, retail, commercial, healthcare and industrial segments. With the placement, Western Properties now owns 16.7% of the Group, an increase from 7.4% previously, making it the second largest shareholder after the Benjamin family.

I would like to express my deepest appreciation to Far East Organization for this show of support and look forward to deeper collaboration between the two groups.

BUSINESS OUTLOOK

Despite the uncertain global economic outlook due to rising interest rates, disrupted supply chains and geo-political tensions, FJB is hopeful about prospects in the current financial year.

Singapore, Malaysia and Indonesia continue to see strong growth in retail sales as of end-August while visitor arrivals have soared as borders reopen and COVID-19 becomes less of a concern. The job market remains healthy notwithstanding the many economic headwinds.

A recent study by DBS show consumers in Singapore are spending more relative to income, with the expenses-to-income ratio rising to 64% in May from 59% a year earlier.

Meanwhile, Indonesia's economic outlook remains positive as structural reforms and higher commodity prices auger well for new investments and fiscal revenue.

FJB now has a stronger portfolio of brands and effective channels, and we will work hard to ride the upswing in consumer spending while keeping an eagle eye on costs. With much reduced gearing of 10%, down from 32% in the last financial year, we believe we are

also in a stronger financial position to seize opportunities as they present themselves. We will grow in a sustainable manner bearing in mind that today's retail landscape is still undergoing changes that will require us to be nifty and adaptive.

APPRECIATION

Finally, I would like to thank my fellow directors for their wise counsel, and our staff, customers, shareholders, business partners and associates for keeping faith with us during the difficult times.



FRANK BENJAMIN

Non-Executive Chairman
F J Benjamin Holdings Ltd

CHIEF EXECUTIVE OFFICER'S REPORT



"BY APRIL THIS YEAR, PEOPLE COULD TRAVEL FREELY AND ECONOMIC ACTIVITY IS NOW CLOSE TO PRE-COVID LEVELS. RETAIL SALES IN SINGAPORE AND MALAYSIA HAVE BEEN PARTICULARLY STRONG AS THE TIGHT JOB MARKET AND REVENGE SPENDING OFFSET THE UNCERTAIN GLOBAL ECONOMIC OUTLOOK."

Dear Shareholders,

The financial year ended 30 June 2022 (FY22) marked a return to profitability for the Group as Singapore, Malaysia and Indonesia eased social distancing rules, borders reopened, and people returned to the malls after more than two years of restrictions due to the COVID-19 pandemic.

FY22 began with a sombre mood as Singapore was going through periods of "heightened alert". Malaysia and Indonesia were in near lockdowns. Restrictions, however, began easing from October 2021.

By April this year, people could travel freely and economic activity is now close to pre-COVID-19 levels. Retail sales in Singapore and Malaysia have been particularly strong as the tight job market and revenge spending offset the uncertain global economic outlook.

We are cautiously optimistic that the strong momentum seen in the second half of FY22 can be maintained, barring any surprise developments, as tourism rebounds and governments further relax social distancing measures that had been put in place. The Group ("FJB") is in a much stronger position today, allowing us to grow our revenue henceforth.

NEW BRANDS

During the year in review, FJB added two new brands to our portfolio even as we continued to close outlets that were either underperforming or whose rental-to-revenue ratios were unacceptably high.

In May 2022, FJB secured exclusive rights to distribute MZ Skin products in Singapore, Malaysia and Indonesia. The distribution agreement will see MZ Skin's award-winning products sold on FJB's online platforms and in selected retail outlets.

MZ Skin, the brainchild of famed London-based aesthetic doctor Dr Maryam Zamani, is renowned for its portable facial devices and clinically-endorsed skincare range. Its LED home-use masks, for instance, creates lights of different wave lengths to promote total skin rejuvenation. Its moisturising creams, serums and hydrating masks use active ingredients such as Vitamin C, retinol and peptides and are free from parabens, silicon, sulphates and phthalates.

In June 2022, FJB signed a distribution agreement to retail and distribute Cole Haan, an iconic American footwear and accessories brand known for quality and comfort, in Singapore and Malaysia.

Since mid-July 2022, we have opened an outlet store in Malaysia and launched e-commerce operations in Singapore and Malaysia. We plan to build the Cole Haan brand across our physical and online stores.

FINANCIAL REVIEW

FJB achieved an attributable net profit of \$2.9 million in FY22, reversing a net loss of \$10.9 million for the previous full year.

The improved performance came mainly in the second half of FY22 with attributable net profit of \$4.3 million against an attributable net loss of \$7.2 million in the second half of the financial year ended 30 June 2021 (FY21). The second half of FY22 also saw writebacks totalling \$1.5 million as we reversed impairments on investment and allowances for expected credit losses.

For the year as a whole, revenue rose 21% to \$80.9 million with sales in Singapore (excluding exports to Indonesia) and Malaysia gaining 6% and 28%, respectively. Sales at our Indonesia associate grew 16% in FY22, leading us to a recorded share of profit of \$1.9 million against a share of loss of \$2.4 million in FY21.

Gross profit margin eased from 50.5% in FY21 to 49.4% in FY22 as Malaysia took the opportunity to clear stocks to satisfy pent-up demand after months of lockdown.

Meanwhile, the Group strengthened its balance sheet as net borrowings fell to \$4 million as at end-June 2022 from \$10.6 million a year earlier. Gearing is now a very low 10% compared with 32% at the end of FY21.

During FY22, FJB generated net cash flows of \$15.6 million from operating activities and repaid bank and other borrowings of \$5.5 million while settling lease liabilities of \$11.1 million. The placement of shares to Western Properties, a member of the Far East Organization, netted an additional \$2.9 million. These generated a net cash balance of \$1.9 million for FY22.

RETAIL NETWORK

As at 30 June 2022, the Group's distribution network in the region totalled 144 stores, compared with 158 in the previous year. These comprised 13 stores in Singapore, 45 in Malaysia and 86 in Indonesia. FJB shut 21 stores due to their unacceptable rental-to-revenue ratios and opened seven new stores.

OUTLOOK

With visitor arrivals growing in our three markets, we are hopeful that the strong momentum seen in the second half of FY22 will be sustained barring any unforeseen circumstances.

Since the end of FY22, Singapore has further eased restrictions on movements and public events. Masks are now optional indoors except on public transport and in healthcare settings, while unvaccinated visitors are free to enter Singapore. The resumption of Formula One racing and numerous business conferences will attract more well-heeled visitors and boost spending in malls.

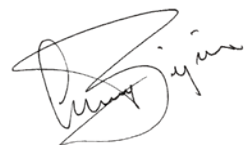
While visitor numbers remain well below pre-COVID-19 days due to the absence of tourists from China, people are spending more time on their travels. In Singapore, for instance, the average length of stay for visitors more than doubled in the first half of 2022 to 7.1 days compared to 3.4 days in 2019, according to data from the Singapore Tourism Board.

We are, of course, aware that there are rising inflationary and geopolitical risks that management will need to manage and mitigate, but we believe FJB is well positioned to tap the recovery in retail sales in our core markets of Singapore, Malaysia and Indonesia.

APPRECIATION

Finally, I would like to thank our Board of Directors, shareholders, staff and business partners for their continuous support during the past year.

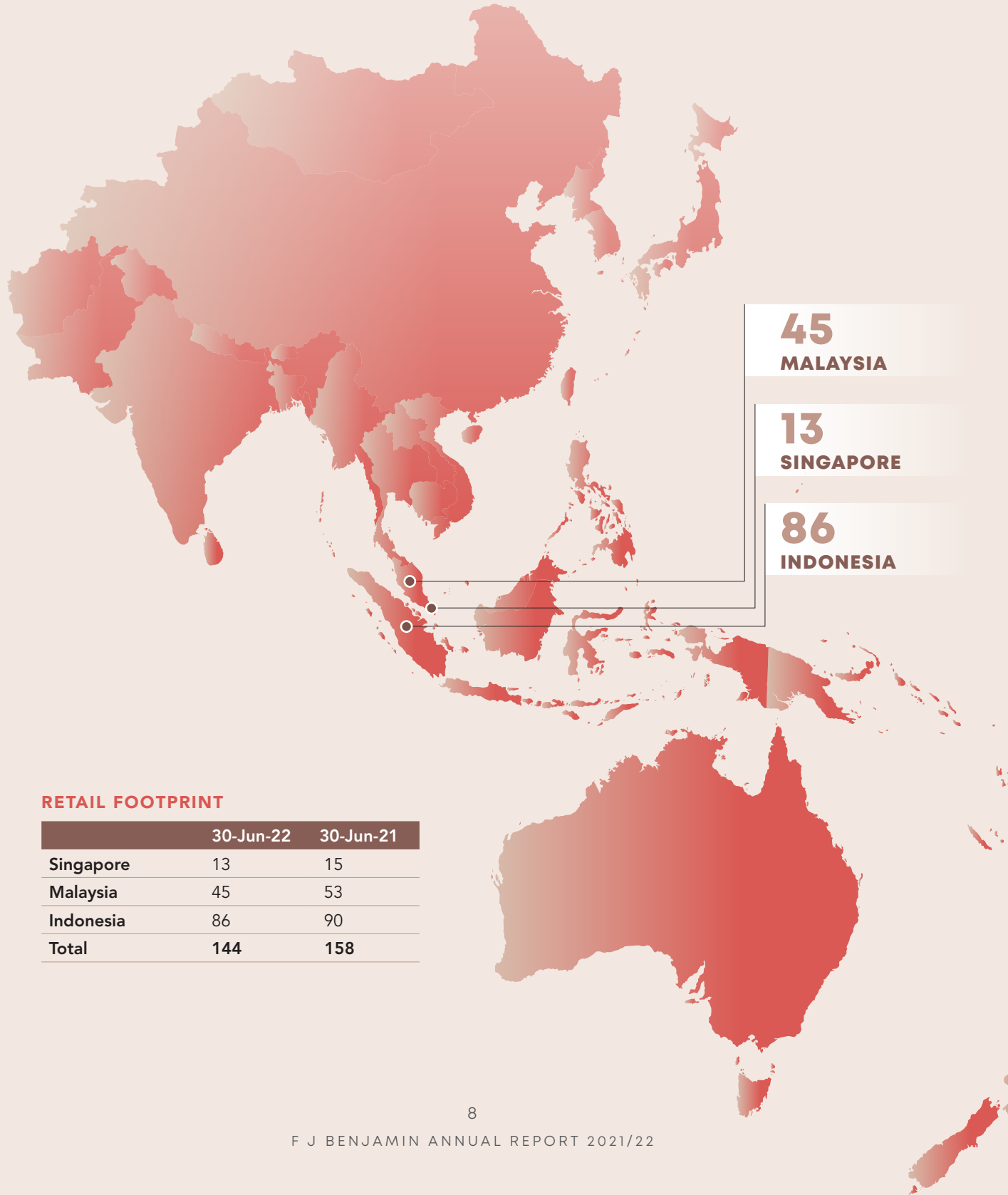
The team will continue to work hard and smart as we attempt to deliver improved results this financial year.



ELI MANASSEH (NASH) BENJAMIN

Executive Director and
Chief Executive Officer
F J Benjamin Holdings Ltd

GEOGRAPHICAL PRESENCE



45
MALAYSIA

13
SINGAPORE

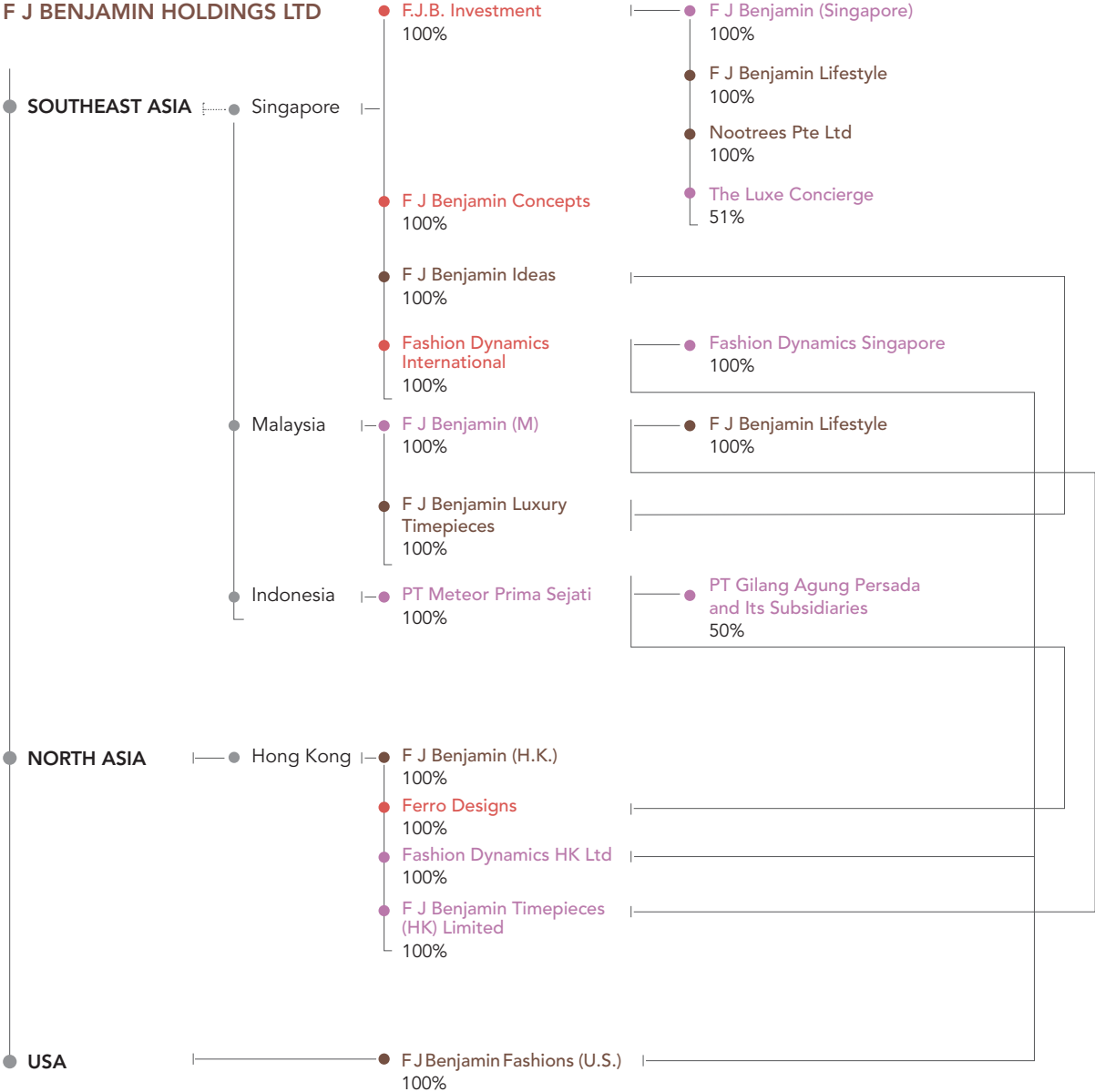
86
INDONESIA

RETAIL FOOTPRINT

	30-Jun-22	30-Jun-21
Singapore	13	15
Malaysia	45	53
Indonesia	86	90
Total	144	158

CORPORATE STRUCTURE

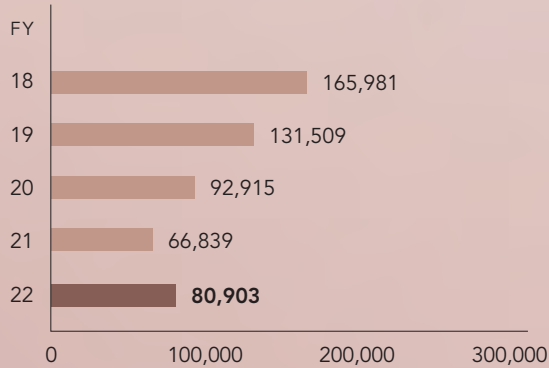
F J BENJAMIN HOLDINGS LTD



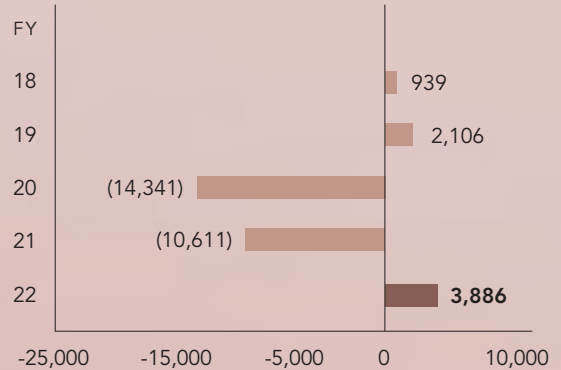
● Active ● Investment holding / Representative office ● Dormant / Inactive

GROUP FIVE-YEAR FINANCIAL SUMMARY

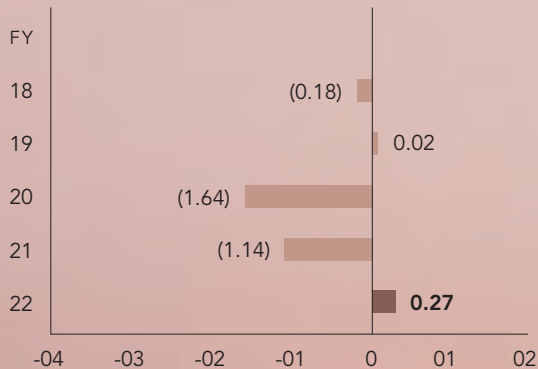
TURNOVER (\$'000)



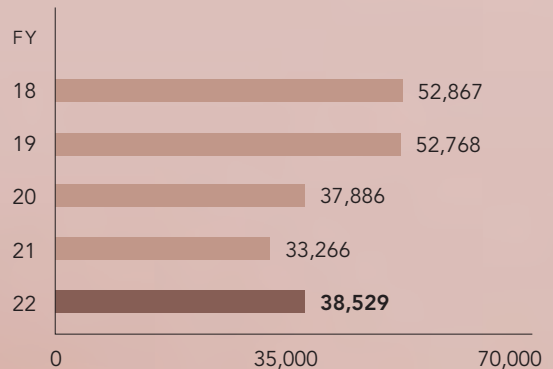
PROFIT / (LOSS) BEFORE TAX (\$'000)



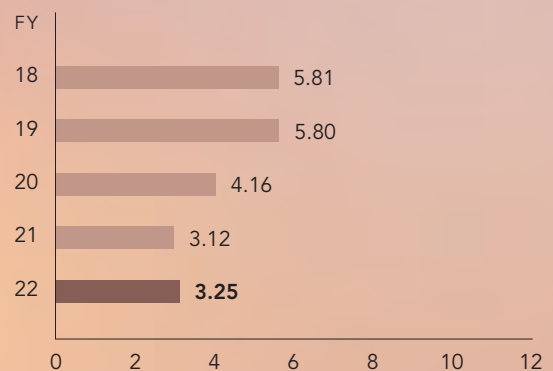
BASIC EARNINGS / (LOSS) PER SHARE (CENTS)



SHAREHOLDERS' EQUITY (\$'000)



NTA PER SHARE (CENTS)



	2018	2019	2020	2021	2022
	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME STATEMENT					
Turnover	165,981	131,509	92,915	66,839	80,903
Operating Profit / (Loss) before Borrowing Costs	5,377	4,717	(7,280)	(6,677)	3,118
Borrowing Costs	(1,382)	(938)	(1,728)	(1,524)	(1,099)
Share of Results of Associate, Net of Tax	(3,056)	(1,673)	(5,333)	(2,410)	1,867
Profit / (Loss) Before Tax	939	2,106	(14,341)	(10,611)	3,886
(Loss) / Profit After Tax and Non-controlling Interests	(1,235)	177	(14,952)	(10,871)	2,975
Basic (Loss) / Earnings Per Share (cents)	(0.18)	0.02	(1.64)	(1.14)	0.27
Operating Margin (%)	3.2%	3.6%	-7.8%	-10.0%	3.9%

BALANCE SHEET					
Non-Current Assets	33,166	30,088	41,673	31,749	25,452
Net Current Assets	20,476	24,176	11,550	11,723	19,494
Equity Attributable to Equity Holders of the Parent	52,867	52,768	37,886	33,266	38,529
Net Debt	12,835	12,625	12,969	10,637	3,990
Return on Equity (%)	-2.3%	0.3%	-39.5%	-32.7%	7.7%
Net Debt to Equity	0.24	0.24	0.34	0.32	0.10
Net Tangible Assets Per Share (cents)	5.81	5.80	4.16	3.12	3.25
Dividend Per Share (cents)	-	-	-	-	-

BOARD OF DIRECTORS



MR FRANK BENJAMIN

Date of appointment as Director:
15 June 1973

Date of last re-election:
25 October 2019

Nature of appointment:
Non-Executive

Board committees served on:
Nominating Committee

Mr Frank Benjamin is the founder of F J Benjamin, and since the founding of the Company in 1959, he held the position of Chief Executive Officer till 2006. He was the Executive Chairman since 1999 and was redesignated as the Non-Executive Chairman in 2017.



MR ELI MANASSEH (NASH) BENJAMIN

Date of appointment as Director:
26 July 1973

Date of last re-election:
27 October 2020

Nature of appointment:
Executive

Board committees served on:
None

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.



MR DOUGLAS JACKIE BENJAMIN

Date of appointment as Director:
3 November 2000

Date of last re-election:
27 October 2021

Nature of appointment:
Executive

Board committees served on:
None

Mr Douglas Jackie Benjamin graduated with a Bachelor of Arts in Economics from the University of Kent, United Kingdom. He joined the Group since 1989. He is the Chief Operating Officer of the Group and works closely with Mr Nash Benjamin to coordinate the Group's activities.

Mr Benjamin is a Director of SingHealth Fund Board and a Member of SingHealth Fund - KKH Fund Committee.



MR NG HIN LEE

Date of appointment as Director:
11 July 2014

Date of last re-election:
25 October 2019

Nature of appointment:
Independent

Board committees served on:
Audit Committee (Chairman) and
Remuneration Committee

Mr Ng Hin Lee is the Lead Independent Director of the Company. He has more than 30 years of experience in key financial and managerial positions and is a Fellow member of the Institute of Singapore Chartered Accountants. Prior to joining the Group, he was the Group Chief Financial Officer of Singapore Post Limited and Gul Technologies Singapore Limited where he was the co-founder and Executive Director. He is an independent Non-Executive Director of KOP Limited and GSH Corporation Limited, and also sits on the boards of several non-listed companies.

BOARD OF DIRECTORS



MR LIEW CHOON WEI

Date of appointment as Director:
29 November 2016

Date of last re-election:
27 October 2020

Nature of appointment:
Independent

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

Mr Liew was with an international public accounting firm for more than 30 years before retiring in 2013 as an Audit Partner. He is a retired Fellow of the Association of Chartered Certified Accountants, UK and a Chartered Accountant of Singapore.

Mr Liew also sits on the boards of Halcyon Agri Corporation Limited, The Hour Glass Limited, Frasers Hospitality Asset Management Pte Ltd and Frasers Hospitality Trust Management Pte Ltd.



MR YEE KEE SHIAN, LEON

Date of appointment as Director:
2 September 2019

Date of last re-election:
27 October 2021

Nature of appointment:
Independent

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

Mr Yee is the Chairman of Duane Morris & Selvam LLP, a leading international law firm, and serves as its Global Head of Corporate as well as the Head of the firm's China Practice Group. He has extensive corporate law experience and regularly advises ultra-high net worth individuals, private equity funds, investment banks, listed and private companies on banking & finance, corporate finance, venture capital, capital markets, takeovers, cross-border mergers and acquisitions, corporate restructurings and joint ventures. He sits on the boards of a number of other SGX listed companies as an Independent Director. Mr Yee graduated with a Bachelor of Arts (Law) and a Master of Arts from the University of Cambridge. He is an Advocate & Solicitor of the Supreme Court of Singapore and a Solicitor of the Supreme Court of England and Wales.

SENIOR MANAGEMENT

SINGAPORE

DOUGLAS JACKIE BENJAMIN

Chief Executive Officer
F J Benjamin Singapore Pte Ltd

Please refer to information on the Board of Directors on page 13.

KAREN CHONG

Group Chief Financial Officer and
Company Secretary
F J Benjamin Holdings Ltd

Ms Karen Chong has been with the Group since 1997 and oversees the financial and accounting functions of the Group including statutory and regulatory compliance. 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 30 years of financial and operational experience in the local and overseas retail industry.

JACQUELINE TEE

Director – Planning & Operations
F J Benjamin Singapore Pte Ltd

Ms Jacqueline Tee re-joined the Group in 2017 and oversees the Group's inventory planning function and marketing division. She also oversees the e-commerce division and led the team in the set up and launch of our various e-commerce websites. She has more than 20 years of experience in the fashion and retail industry, having worked with many different fashion houses and retailers.

MALAYSIA

DOUGLAS JACKIE BENJAMIN

Chief Executive Officer
F J Benjamin (M) Sdn. Bhd. and subsidiaries

Please refer to information on the Board of Directors on page 13.

GORETTA YEOH

Chief Financial Officer
F J Benjamin (M) Sdn. Bhd. and subsidiaries

Ms Goretta Yeoh has worked with the Group for more than 20 years and oversees the financial, warehousing, logistic and treasury functions of the Group's entities in Malaysia.

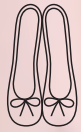
LUXU



RY

MARC JACOBS





PrettyBallerinas





LUXURY

LANCEL
PARIS 1876



REBECCAMINKOFF



GUESS



GUESS

KIDS

21

F J BENJAMIN ANNUAL REPORT 2021/22

LIFE
STYL

La Senza







PRIVATE PROPERTY

PERMISSION TO CROSS
REVOCABLE AT ANY TIME



THE STYLE

極度乾燥(しなさい)
Superdry.

LIFE STYLE

COLE HAAN





CASIO

BLUETOOTH

TOUGH SOLAR



TIME
PIECE



FREDERIQUE CONSTANT
GENEVE

Gc

SMART LUXURY®



GUESS



DR. BARBARA
STURM



MZ SKIN

BY DR. MARYAM ZAMANI



BEAUTY, LTH AND WELLNESS

The one you need



YOYO connect
Make it double, keep it simple.
YOYO²

BABYZEN

BeSafe[®]



ez pz[™]



MOBY



BABY AND HOME

petunia pickle bottom



BABY AND HOME



SHERIDAN

CORPORATE GOVERNANCE REPORT

The Board of Directors (the “Board” or “Directors”) of F J Benjamin Holdings Ltd (the “Company”) is committed to high standards of corporate governance. The Company has adopted the Code of Corporate Governance 2018 (the “Code”). This report describes the Company’s corporate governance practices for the financial year ended 30 June 2022 (“FY2022”) with specific reference to the principles and provisions of the Code. The Company has adhered to the principles and provisions of the Code (except where otherwise explained) as well as the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist (the “Catalist Rules”). Variations in practice from any provisions of the Code, including explanations of variations, and how the practices the Company had adopted are consistent with the intent of the relevant principle of the Code, as well as measures that have been taken by the Company or intends to take are set out in this report. The Company will continue to assess its needs and implement appropriate practices accordingly.

BOARD MATTERS

THE BOARD’S CONDUCT OF AFFAIRS

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

Provision 1.1 Principal Duties of the Board

The Board is accountable to shareholders of the Company (“Shareholders”) and oversees 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. 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. In addition to the above, the Terms of Reference of the Board is established to promote high standards of corporate governance. The Terms of Reference of the Board outlines duties and responsibilities of the Board and matters that are specifically reserved for the Board. It is a reference document to assist the Board and management in clarifying responsibilities and ensuring effective communication between the Board and management.

The Board has also adopted a Code of Conduct and Ethics for Directors (“Code of Conduct”) which serves to guide the Directors on the areas of ethical risk and sets a framework where integrity and accountability as well as ethical conduct expected from the Directors in the performance of their duties. Directors should strive to adhere to the Code of Conduct and where conflict of interest arises, the concerned Directors must recuse themselves from discussions and decisions involving the matter and abstain from voting on the matter.

Besides carrying out its statutory responsibilities, the Board’s principal responsibilities include:

- (a) provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- (b) review management’s performance (including the Group’s financial and operating performance);

CORPORATE GOVERNANCE REPORT

- (c) establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of Shareholders' interests and the Company's assets;
- (d) identify the key stakeholder groups and recognize that their perceptions affect the Company's reputation;
- (e) set the Company's values and standards (including ethical standards), and ensure that obligations to Shareholders and other stakeholders are understood and met;
- (f) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation; and
- (g) assume responsibility for corporate governance.

The Board delegates the formulation of business policies and day-to-day management to the Chief Executive Officer and the Executive Director as well as the key management personnel to ensure operations and performance of the Group are aligned with the strategies.

Provision 1.2 Induction, Continuous Training and Development of the Directors

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. The Company informs the Board from time to time of changes in relevant regulatory, governance and accounting standards requirements. The External Auditor will brief the Board on changes to the Singapore Financial Reporting Standards (International) that affect the Group's financial statements during the period. The Company's Sponsor will also update the Board regularly of the changes in relevant regulatory and governance requirements.

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 ("SID") and other relevant bodies. The Company has an on-going training budget for the Directors to fund their participations at industry conferences and seminars, and their attendance at any training programme in connection with their duties as Directors. The Directors have attended appropriate training on the Code and relevant accounting standards.

Rule 406(3)(a) of the Catalist Rules requires a Director who has no prior experience as a director of a company listed on the SGX-ST to undergo Listed Entity Director training ("LED") programme organized by SID as prescribed under Practice Note 4D of the Catalist Rules. Appropriate training (where required) and orientation such as site visits to the Group's key premises and retail stores shall be arranged for newly appointed Directors to ensure they are fully aware of their responsibilities and obligations as Directors and familiarize themselves with the operations of the Group. There were no newly appointed Directors in FY2022.

CORPORATE GOVERNANCE REPORT

Provision 1.3 Matters Requiring Board's Approval

The Board oversees the business affairs of the Group and sets overall strategy and direction. The Board has adopted internal guidelines governing matters that require the Board's approval. Matters specifically reserved for the Board's decision are:

- (a) strategic plans of the Group;
- (b) annual budgets;
- (c) material acquisition and disposal of assets/ investments;
- (d) corporate or financial restructuring and corporate exercises;
- (e) share issuances, interim dividends and other returns to Shareholders; and
- (f) announcements of the Group's financial results and annual reports.

Provision 1.4 Delegation of Authority to Board Committees

To assist the Board in the discharge of specific responsibilities, certain Board committees have been constituted, namely the Nominating Committee ("NC"), the Remuneration Committee ("RC") and the Audit Committee ("AC") (collectively, the "Board Committees"). Each Board Committee has its own Terms of Reference which sets out the compositions, as well as scope of duties and responsibilities. The Board Committees review and make recommendations on matters within their Terms of Reference to the Board.

The names of the Board Committee members, the Terms of Reference, any delegation of the Board's authority to make decisions, and a summary of each Board Committee's activities are disclosed in this report.

At the date of this report, the compositions of the Board Committees are as follows:

Directors	Board Appointment	Nominating Committee	Remuneration Committee	Audit Committee
Mr Frank Benjamin	Non-Executive Chairman	Member	–	–
Mr Eli Manasseh (Nash) Benjamin	Executive Director and Chief Executive Officer	–	–	–
Mr Douglas Jackie Benjamin	Executive Director and Chief Operating Officer	–	–	–
Mr Ng Hin Lee	Lead Independent Director	–	Member	Chairman
Mr Liew Choon Wei	Independent Director	Member	Chairman	Member
Mr Yee Kee Shian, Leon	Independent Director	Chairman	Member	Member

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Provision 1.5 Meetings of Board and Board Committees

The Board and the AC meet regularly on a half yearly basis and as required, while the NC and the RC meet annually and as required. Important and critical matters concerning the Group are also tabled for the Board's and Board Committees' decision by way of written resolutions, electronic mails, tele-conferencing and video-conferencing. Ad-hoc Board meetings will be called as and when guidance and/or approvals from the Board is required.

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

	Board		Nominating Committee		Remuneration Committee		Audit Committee		Annual General Meeting	Extraordinary General Meeting
	No. of Meetings									
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Attended	Attended
Mr Frank Benjamin	2	2	1	1	NA	NA	NA	NA	1	0
Mr Eli Manasseh (Nash) Benjamin	2	2	NA	NA	NA	NA	NA	NA	1	1
Mr Douglas Jackie Benjamin	2	2	NA	NA	NA	NA	NA	NA	1	1
Mr Ng Hin Lee	2	2	NA	NA	1	1	2	2	1	1
Mr Liew Choon Wei	2	2	1	1	1	1	2	2	1	1
Mr Yee Kee Shian, Leon	2	2	1	1	1	1	2	2	1	1

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 financial year. The Constitution of the Company allows Directors to participate in meetings by telephone conference, video conference, audio visual or by means of similar communication whereby all persons participating in the meeting are able to hear and be heard without a Director being in the physical presence of other Director(s). Technology is effectively used in the Board and Board Committees meetings and in communication with the Board, where Directors may receive agenda and meeting materials online such as email and participation via audio or video conferencing.

Provision 1.6 Board's Access to Information

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 for them to make informed decisions and enable them to discharge their duties and responsibilities effectively. The board papers set out the relevant financial information that review the Group's performance in the most recent half year 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. Relevant management staff will be invited to make appropriate presentations, provide insights for matters to be discussed at the Board meetings and answer any queries from the Directors. Additional materials or information requested by the Directors (if any) are promptly furnished.

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The Board also has access to minutes and documents concerning all Board and Board Committees meetings.

Provision 1.7 Board's Access to Management, Company Secretary and External Advisers

The Company provides for the Directors, individually or as a group, to have separate and independent access to management, the Sponsor and the Company Secretary, and to seek external independent professional advice, where necessary, at the expense of the Company.

The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole. The Company Secretary or his/her representative attends all meetings of the Board and Board Committees and is responsible for ensuring that Board procedures are followed and applicable rules and regulations are complied with.

Changes to regulations are closely monitored by the management and the Directors are briefed during the Board meetings on changes which have an important bearing on the Company or the Directors' disclosure obligations.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Provisions 2.1, 2.2 and 2.3 Director's Independence and Composition of Independent Directors and Non-Executive Directors

As at 30 June 2022 and the date of this report, the Board comprises six Directors, three of whom are Independent Directors (who are also Non-Executive Directors), one Non-Executive Director and two Executive Directors. The Chairman of the Board, Mr Frank Benjamin is a Non-Independent Non-Executive Director. The Board currently has three Independent Directors and do not form a majority of the Board. However, half of the Board consists of Independent Directors and the Independent Directors also make up the full AC and RC, and majority of the NC. The Board believes that there is a strong and independent element on the Board as the Independent Directors represent half of the Board members and contribute to the Board process by monitoring and reviewing performance of the management to achieve the agreed goals and objectives. The Independent Directors constructively challenge management's proposals or decisions and bring independent judgement.

The NC conducts its annual review of the Directors' independence in accordance with the Code and adopts the Code's definition of what constitutes an "independent" Director in its review, as well as taking into consideration the Practice Guidance to the Code (the "Practice Guidance") and whether the Director falls under any circumstances pursuant to Rule 406(3)(d) of the Catalist Rules. The Independent Directors shall disclose to the Board any relationships or circumstances that could interfere, or be reasonably perceived to interfere with their independent judgement in the best interests of the Company. Each Independent Director is required annually to complete and submit a declaration form to confirm their independence, drawn up based on the Code, the Practice Guidance and the Catalist Rules to the NC for review. The results of the self-assessment are then collated by the

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Company Secretary and reported to the Board. The Independent Directors have confirmed their independence in accordance with the Code, the Practice Guidance and the Catalyst Rules.

The NC and the Board have reviewed and ascertained that all Independent Directors are independent according to the Code, the Practice Guidance and the Catalyst Rules. None of the Independent Directors has any relationships with the Company, its related corporations, substantial Shareholders or officers that could interfere, or be reasonably perceived to interfere with the Directors' independent judgement. Independent Directors have abstained from deliberations in respect of the assessment of their own independence.

With regards to Provision 2.2 of the Code which requires Independent Directors to make up a majority of the Board when the Chairman is not independent, the Board has been actively searching and identifying suitable female candidates to come on board for gender diversity and will strive to meet Provision 2.2 of the Code. Notwithstanding that Independent Directors do not make up a majority of the Board when the Chairman is not independent, taking into account the above (as set out under the first paragraph of Principle 2 of the Code), the Board is of the view that the Company complies with Principle 2 of the Code in view that the Board has an appropriate level of independence and diversity of thought and background in its composition. Please refer to Provision 2.4 of this report for more information on diversity of the Board.

As at the date of this report, none of the Independent Directors has served on the Board for more than nine years from their respective date of first appointment. Mr Ng Hin Lee, who is an Independent Director, will be serving for more than nine years from 11 July 2023 and will be subject to the Two-Tier Voting Process (as defined herein) at the forthcoming annual general meeting of the Company for him to continue in this office as an Independent Director of the Company from 11 July 2023. Please refer to Provision 4.3 of this report for more information on the Two-Tier Voting Process.

Provision 2.4 Size and Diversity of the Board

The Company's Board Diversity Policy upholds the principle that an effective Board is one constituted with the right core competencies, with an appropriate balance and mix of skills, experience, knowledge, among other aspects of diversity. A diverse board will have a broad range of views and perspectives which are essential to foster constructive discussions and promote effective decision-making. The NC reviews and assesses the size and composition of the Board and Board Committees, and recommends the appointment of new directors to the Board for approval. The diversity of the Directors' experience in business and industry skills and expertise, and other relevant aspects of diversity (such as age, gender, tenure, board independence and cultural ethnicity) allows for the useful exchange of ideas and views to avoid groupthink and foster constructive debate. The Board notes that gender diversity on the Board is also one of the recommendations under the Code to provide an appropriate balance of diversity. Although there is currently no female Director appointed to the Board, the Board has been actively searching and identifying suitable female candidates to come on-board. The Board is committed to achieve at least one female representation on the Board by 2023 and will review this position going forward. The NC reviews its targets for diversity from time to time and may recommend changes or additional targets to achieve greater diversity. In addition, the NC reviews the Company's Board Diversity Policy from time to time, as appropriate, to ensure its continued effectiveness and relevance, and any revisions, where necessary, will be recommended to the Board for approval.

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The NC will review the size and composition of the Board and Board Committees annually to ensure that the Board and Board Committees have an appropriate level of independence and diversity of thought and background in their respective compositions to enable the Board and Board Committees to make decisions in the best interests of the Company. The NC and the Board, taking into account the nature of operations of the Group, consider the current size of the Board and Board Committees to be adequate for effective decision-making, and based on the current composition, the Board and Board Committees are able to exercise objective judgement on corporate affairs and provide sufficient diversity of expertise to lead and govern the Company effectively. The NC and the Board are 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 profile and information of the Directors as at the date of this report are set out under the "Board of Directors" section of this Annual Report.

Provision 2.5 Regular Meetings of Non-Executive Directors and Independent Directors

Where appropriate and necessary, the Independent Directors would meet without the presence of management. To facilitate a more effective check on the management, Independent Directors meet at least once a year with the internal and external auditors without the management and Executive Directors.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provisions 3.1 and 3.2 Chairman and Chief Executive Officer

The Chairman and the 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 a Non-Independent Non-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, who is the brother of Mr Frank Benjamin, is an Executive Director. He supervises the day-to-day business operations with the support of the other Executive Director and management, as well as formulates long-term corporate strategies and policies of the Group.

Provision 3.3 Lead Independent Director

The Code encourages the appointment of a Lead Independent Director to provide leadership in situations where Chairman is conflicted, and especially when the Chairman is not independent.

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Mr Ng Hin Lee, who is an Independent Director, the Chairman of the AC and a member of the RC, has been appointed as the Lead Independent Director. He is available to Shareholders where their concerns raised through normal channels to the Chairman or management including the CEO or the Chief Financial Officer (“CFO”) have failed to resolve or where such contact is inappropriate or inadequate.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provisions 4.1 and 4.2 Nominating Committee

The NC is chaired by Mr Yee Kee Shian, Leon and its members are Mr Frank Benjamin and Mr Liew Choon Wei. With the exception of Mr Frank Benjamin, the other two members are Independent Directors.

The Board notes that Provision 4.2 of the Code requires the Lead Independent Director, if any, to be a member of the NC. Notwithstanding that Mr Ng Hin Lee, who is the Lead Independent Director, is not a member of the NC, the Board is of the view that the Company complies with Principle 4 of the Code in view that the majority of the members of the NC (including the Chairman of the NC) are independent. There is a formal and transparent process in place for the appointment and re-appointment of Directors. Please refer to Provision 4.3 of this report for more information.

In accordance with the Constitution of the Company, 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 and Board Committees’ 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 and Board Committees;
- (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 programmes for the Directors;
- (e) to determine independence of each Director;
- (f) to determine whether a Director, who has multiple board representations, is able to and has been adequately carrying out his duties as a Director of the Company;
- (g) the process and criteria for evaluation of the performance of the Board, Board Committees and Directors;

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- (h) to ensure there is clear division of responsibilities between the Chairman and the CEO of the Company; and
- (i) to provide the Board with its succession plans for the Chairman, Directors, the CEO and key management personnel of the Company.

There are no alternate Directors on the Board.

Provision 4.3 Process for the Selection, Appointment and Re-appointment of Directors

The NC is responsible for the selection, appointment and re-appointment of Directors as follows:

- (a) The NC carries out a review of the Board and Board Committees' 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. Summary procedures on appointing a new Director is as follows:

Step 1 <Candidate identified>	Identified candidate on the recommendation of the existing Directors, senior management staff, network of contacts, third-party referrals and recruitment consultants to identify a broader range of candidates.
Step 2 <Assessment and evaluation to be conducted by the NC>	In accordance with the Company's Board Diversity Policy, assessment should be conducted based on, but not limited to experience, knowledge, gender, age, educational background, business interest that may result in a conflict of interest, independence of the candidate (for Independent Directors), skills and other criteria deem fit to the needs of the Board and whether the candidates will add diversity to the Board and have adequate time to discharge his/her duties.
Step 3 <Recommendation to be made by the NC to the Board>	<ul style="list-style-type: none"> • Board to consider and discuss on the proposed new appointment. • Appoint an independent third party to source and screen candidates, if necessary.
Step 4 <Discussion and decision to be made by the Board on the proposed new appointment. Appointment of new member to the Board is at the Board's sole discretion>	<ul style="list-style-type: none"> • If proposed appointment is approved, invitation or offer to be made to the proposed/potential candidate to join the Board and/or Board Committees. • If the proposed appointment is rejected, the whole process to be re-commenced.

CORPORATE GOVERNANCE REPORT

- (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 Constitution provides that at least one-third of the Directors shall retire from office by rotation and be subject to re-appointment at the Company's annual general meetings ("AGM"). Rule 720(4) of the Catalist Rules requires that all Directors submit themselves for re-nomination and re-appointment at least once every three years.
- (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 Directors standing for retirement by rotation pursuant to Article 102 of the Company's Constitution at the forthcoming AGM are as follows:

- Mr Frank Benjamin (to remain as Non-Independent Non-Executive Chairman); and
- Mr Ng Hin Lee, be also subject to the Two-Tier Voting Process (to remain as Lead Independent Non-Executive Director, Chairman of the AC and a member of the RC).

Pursuant to Rule 406(3)(d)(iii) of the Catalist Rules, a director will not be independent if he/she has served for an aggregate of more than nine years unless his/her continued appointment as an independent director has been sought and approved in separate resolutions by (a) all shareholders; and (b) shareholders, excluding the directors and chief executive officer of the issuer, and associates of such directors and chief executive officer (the "Two-Tier Voting Process"). For the purpose of the resolution referred to in (b), the directors and chief executive officer of the issuer, and their respective associates, must not accept appointment as proxies unless specific instructions as to voting are given. Such resolutions approved by a Two-Tier Voting Process may remain in force for three years from the conclusion of the AGM following the passing of the resolutions or the retirement or resignation of the director, whichever the earlier.

Mr Ng Hin Lee would have served as an Independent Director of the Company for an aggregate period of more than nine years on 11 July 2023 (since the date of his first appointment on 11 July 2014), and would not be considered independent unless his continued appointment as an Independent Director of the Company has been sought and approved by a Two-Tier Voting Process prior to 11 July 2023 (which is before the date by which the next AGM is required to be held).

The Board (with the concurrence of the NC) has determined that Mr Ng Hin Lee continues to remain objective and independent-minded in Board deliberations. His vast experience enables him to provide the Board and the various Board Committees on which he serves, with pertinent experience and competence to facilitate sound decision-making and that his length of service does not in any way interfere with his exercise of independent judgment nor hinder his ability to act in the best interest of the Company.

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Having considered the assessment conducted by the NC and its recommendation and consents received from the above retiring Directors for re-election at the forthcoming AGM, the Board accepts the nominations from the NC. The retiring Directors have abstained from deliberations in respect of the assessment of their own re-election.

For resolutions on the re-election of the retiring Directors at the forthcoming AGM, information on the retiring Directors as set out in Appendix 7F pursuant to Rule 720(5) of the Catalist Rules are provided under the "Information on Directors seeking Re-election" section of this Annual Report.

Provision 4.4 Determining Directors' Independence

The NC had conducted an annual review of the independence of the Independent Directors as set out in Provisions 2.1, 2.2 and 2.3 above and had ascertained that they are independent in accordance with the Code, the Practice Guidance and the Catalist Rules.

Provisions 1.5 and 4.5 Directors' Multiple Board Representations

The Board believes that each Director should personally determine the demands of his competing directorships and obligations and assess how much time is available to serve on the Board effectively. Accordingly, the NC and the Board have reviewed and are satisfied with the time commitment of the Directors and have not made a determination of the maximum number of board representations a Director may hold. Notwithstanding that some of the Directors have multiple board representations, the NC and the Board are satisfied that each Director is able to and has been adequately carrying out his duties as a Director of the Company.

Information of each Director, including his directorships in other listed companies and other principal commitments, are furnished under the "Board of Directors" section of this Annual Report.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provisions 5.1 and 5.2 Board Evaluation Process and Performance Criteria

The NC evaluates and assesses the effectiveness of the Board as a whole, and of each Board Committee, as well as the contribution by the Chairman to the effectiveness of the Board, taking into consideration appropriate performance criteria. Such evaluation and assessment is done on an annual basis, by way of an evaluation questionnaire implemented by the Company. The performance criteria is recommended by the NC and approved by the Board.

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The evaluation of the Board's performance as a whole deals with matters on Board composition, procedures and accountability as well as information available to the Board. The evaluation of the Board also covers the Board's contribution to the testing and development of strategy, ensuring effective risk management, as well as the Board's response to problems and crisis, etc. The Board Committees' evaluation deals with the efficiency and effectiveness of each Board Committee in assisting the Board as set out in their respective Terms of Reference. The criteria for the evaluation of the Chairman include, amongst others, leadership of the Chairman, as well as Chairman's duties and know-how.

All Directors are given an evaluation questionnaire to express their view. The completed questionnaires are submitted to the Company Secretary for collation. The findings of such evaluations are presented to the NC for review as well as to make the necessary recommendations on areas for continuous improvement before submitting to the Board for discussion and to form the basis of recommending relevant retiring Directors for re-election at the AGMs.

During FY2022, the NC met once on 10 May 2022 and assessed the performance and effectiveness of the Board as a whole, the Board Committees, as well as the contribution by the Chairman to the effectiveness of the Board. The NC and the Board were satisfied that the Board as a whole and the Board Committees were effective and their performance were satisfactory, and that the Chairman had demonstrated commitment and had contributed to the effective functioning of the Board and the relevant Board Committees.

The Code also recommends that the NC evaluates the contribution by each individual Director to the effectiveness of the Board. The Board, together with the NC, have taken cognizance of the recommendations under the Code, but are of the view that given the background, experience and expertise of each Director, it would not be necessary to evaluate each individual Director as it is more appropriate and effective to assess the overall effectiveness of the Board as a whole, and of each Board Committee, bearing in mind that each Director contributes in different ways to the success of the Company and Board decisions are made collectively. In addition, the factors taken into consideration for each Director's re-appointment include, amongst others, attendance, participation and contribution at Board and Board Committee meetings, Directors' duties and know-how and interaction with fellow Directors.

The Board did not engage an external facilitator for the assessment process for FY2022.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

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Provisions 6.1 and 6.2 Remuneration Committee

The RC is chaired by Mr Liew Choon Wei and its members are Mr Ng Hin Lee and Mr Yee Kee Shian, Leon. All of them are Independent Directors.

Under its written Terms of Reference approved by the Board, the RC has the following main responsibilities:

- (a) to ensure that remuneration policies and systems that support the Company's objectives and strategies are in place and being adhered to;
- (b) to co-ordinate annual reviews of the Company's remuneration policies and practices 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 management personnel, covering all aspects of remuneration, which include salaries, allowances, bonuses, options and benefits-in-kind, 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 (including the Independent Directors) to the Board. Directors' fees are only paid to Non-Executive Directors and are approved by Shareholders at the AGMs.

Provision 6.3 Review of Remuneration

The RC reviews and recommends to the Board the framework of remuneration of key management personnel and Directors serving on the Board and Board Committees. The review of specific remuneration packages includes fees, salaries, bonuses and incentives. No Director is involved in deciding and voting on his own compensation.

The RC also reviews the Directors' fees of Non-Executive Directors (including the Independent Directors) and submits its recommendation to the Board for discussion. The Board recommends the Directors' fees for approval by Shareholders at the AGM.

In setting the remuneration framework, the RC has considered all aspects of remuneration, including termination clauses, and aims to be fair, reasonable and not overly generous.

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.

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Provision 6.4 Engagement of Remuneration Consultants

The RC shall seek expert advice in the field of executive compensation outside the Company on remuneration matters when necessary. During FY2022, the RC did not engage the service of any external remuneration consultants.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Provisions 7.1, 7.2 and 7.3 Remuneration of Directors and Key Management Personnel

The RC adopts a transparent procedure for fixing the compensation packages of individual Executive Directors and key management personnel. The Company sets remuneration packages to ensure they are appropriate to attract, retain and motivate the Executive Directors and key management personnel to successfully manage the Company for the long term.

The RC assists the Board in ensuring that the Executive Directors and key management personnel of the Group are fairly remunerated for their performance and individual contribution to the overall performance of the Group, taking into account the performances of the Group and the individual Directors and key management personnel 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.

The RC also reviews the Company's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The remuneration package of the Executive Directors and key management personnel 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 RC also reviews remuneration of Non-Executive Directors (including Independent Directors) to ensure that the remuneration commensurate with the efforts, time spent and responsibilities of these Directors. The Non-Executive Directors (including Independent Directors) are remunerated based on basic fees for serving on the Board and Board Committees. Directors' fees are recommended by the Board for approval by Shareholders as a lump sum payment at the AGM.

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DISCLOSURE ON REMUNERATION

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provisions 8.1, 8.2 and 8.3 Remuneration Report

The Board is of the view that disclosure of the remuneration details of each Director and key management personnel of the Group 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 of the Group be kept confidential and to be disclosed in salary bands instead. After taking into account the aforesaid reasons, the Board is of the view that the current disclosure of the remuneration presented herein in this report is sufficient to provide Shareholders with information on the Group's remuneration policies, as well as the level and mix of remuneration. Accordingly, the Board is of the view that the Company complies with Principle 8 of the Code.

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

Remuneration Band and Name of Director	Directors' Fee	Basic Salary*	Variable Performance Bonus	Benefit-in-Kind and Others	Total
<u>Executive Directors</u>					
S\$350,000 to S\$499,999					
Mr Eli Manasseh (Nash) Benjamin	-	98%	-	2%	100%
Mr Douglas Jackie Benjamin	-	95%	-	5%	100%
<u>Non-Executive Directors</u>					
Below S\$100,000					
Mr Frank Benjamin	63%	-	-	37%	100%
Mr Ng Hin Lee	100%	-	-	-	100%
Mr Liew Choon Wei	100%	-	-	-	100%
Mr Yee Kee Shian, Leon	100%	-	-	-	100%

* Basic salary includes employer's CPF contribution.

Total amount paid as Directors' fees for FY2022 was S\$205,000, which was approved by Shareholders at the last AGM.

The key management personnel of the Group who are not Directors and CEO of the Company are as follows:

No. of executives: 3

Total remuneration: S\$816,164

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The following indicates the composition (in percentage terms) of the annual remuneration of key management personnel of the Group who are not Directors and CEO of the Company.

Name of key management personnel of the Group who are not Directors and CEO of the Company**	Basic Salary*	Variable Performance Bonus	Benefit-in-Kind and Others	Total
<u>S\$150,000 to S\$399,999</u>				
Ms Karen Chong	95%	–	5%	100%
Ms Goretta Yeoh	93%	–	7%	100%
Ms Jacqueline Tee	97%	–	3%	100%

* Basic salary includes employer's CPF contribution.

** The Group has only three key management personnel who are not Directors and CEO of the Company during FY2022.

There were no termination, retirement and post-employment benefits granted to Directors, the CEO and the key management personnel of the Group.

The following indicates the composition (in percentage terms) of the annual remuneration of employees who are immediate family members of a Director, the CEO or a substantial Shareholder of the Company.

Relationship	Basic Salary*	Variable Performance Bonus	Benefit-in-Kind and Others	Total
<u>Below S\$100,000</u>				
Ms Mavis Benjamin Wife of Non-Executive Chairman	83%	–	17%	100%

* Basic salary includes employer's CPF contribution.

Other than the above with remuneration below S\$100,000, the Group did not have any employees with remuneration exceeding S\$100,000, who is a substantial Shareholder of the Company or is an immediate family member of a Director, the CEO or a substantial Shareholder of the Company.

Provision 8.3 Employee Share Scheme

The Company does not have any employee share schemes.

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ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1 Risk Management and Internal Control System

The Board, with the assistance from the AC, 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 an annual 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 of the Company takes into consideration the risks identified and assessed in the register and prepares the audit plan, which 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 Group's business is exposed to and the costs of protecting against such risks.

Provision 9.2 Assurance to the Board

For FY2022, the Board has received assurance from:

- (a) the CEO and the CFO during the meetings of the Board and AC that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

CORPORATE GOVERNANCE REPORT

- (b) the CEO and the key management personnel of the Group that the system of risk management and internal controls in place within the Group is adequate and effective.

Based on the internal controls established and maintained by the Group, work performed by the Internal Auditor, External Auditor's report on their financial audit, reviews performed by management, various Board Committees and the Board, as well as the aforesaid assurance received from the CEO, the CFO and the key management personnel of the Group, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 30 June 2022.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

Provisions 10.1, 10.2 and 10.3 Roles, Responsibilities and Authorities of AC and Membership

The AC comprises Mr Ng Hin Lee (AC Chairman), Mr Liew Choon Wei and Mr Yee Kee Shian, Leon, all of whom are Independent Directors. The members of the AC have relevant accounting and/or financial management expertise or experience, and in particular, Mr Ng Hin Lee and Mr Liew Choon Wei have experience in the audit and accounting industry.

The Board ensures that the members of the AC are appropriately qualified to discharge their responsibilities, with the members, including the AC 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 Group's financial statements, through regular updates from the External Auditor and/or other professionals. None of the AC members is a former partner or director of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

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 systems of internal controls and risk management, and the audit process;
- (b) to review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance;
- (c) to maintain an appropriate relationship with the Company's External and Internal Auditors, and to review the scope, results, effectiveness, independence and objectivity of the audit process;

CORPORATE GOVERNANCE REPORT

- (d) to review and evaluate the adequacy of the system of internal controls, including accounting controls, taking input from external audit, internal audit, risk management and compliance functions;
- (e) to review the audit plan and audit report with the External Auditor;
- (f) to review and approve the scope of the internal audit plan with the Internal Auditor;
- (g) to review the half year and annual financial statements, including announcements to Shareholders and the SGX-ST prior to submission to the Board;
- (h) 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;
- (i) to review the independence of the External Auditor and to make recommendations to the Board regarding the nomination of the External Auditor for appointment, re-appointment and removal, and the remuneration and terms of engagement of the External Auditor; and
- (j) to review the assurance from the CEO and the CFO on the financial records.

The AC has explicit authority to investigate any matter within its Terms of Reference. The AC has full access to, and the co-operation of the management, as well as the External and Internal Auditors respectively. The AC 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 FY2022.

The Group has complied with Rule 712 and Rule 716 of the Catalist Rules in relation to its engagement of auditors. In accordance with Rule 716(1) of the Catalist Rules, the Board and the AC confirm that they are satisfied that the appointment of a different auditing firm for a 51%-owned Singapore-incorporated subsidiary of the Company, which is not a significant subsidiary of the Group, would not compromise the standard and effectiveness of the audit of the Company and the Group.

Fees of S\$301,000 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 S\$69,000. The AC, having reviewed the non-audit services provided to the Group and the Company by the External Auditor, Ernst & Young LLP ("EY"), is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the External Auditor.

In reviewing the re-appointment of EY as the Company's independent External Auditor for the ensuing year, the Board and the AC have considered and are satisfied with the adequacy of the resources and experience of EY

CORPORATE GOVERNANCE REPORT

and the audit partner-in-charge assigned to the audit (taking into account the Audit Quality Indicators relating to EY), the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the audit. EY has also confirmed its independence and that it is registered with ACRA and approved under the Accountants Act 2004 of Singapore. The audit partner-in-charge assigned to the audit is a public accountant under the Accountants Act 2004 of Singapore.

On the basis of the above, the AC and the Board are pleased to recommend the re-appointment of EY as the independent External Auditor of the Company for the ensuing year for Shareholders' approval at the forthcoming AGM.

Provision 10.4 Internal Audit

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. The Company's internal audit function is performed in-house. The Internal Auditor has more than 20 years of working experience as an auditor in industries ranging from retailing of luxury products and mass-market retailing to hospitality, after graduating with a Bachelor of Science Degree in Business Administration. 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 Internal Auditor has unfettered access to all the Company's documents, records, properties and personnel, including the AC.

The AC reviews annually the independence, adequacy and effectiveness of the internal audit function of the Company and is satisfied that the internal audit function is independent, effective, has adequate resources and appropriate standing within the Group, and meets the standards set by the Institute of Internal Auditors.

Provision 10.5 Meeting with External and Internal Auditors without Presence of Management

In FY2022, a total of two AC meetings were held. The AC also held one meeting with the External Auditor 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.

In the review of the financial statements, the AC reviewed the Key Audit Matters and concurred with the External Auditor and management on their assessment, judgements and estimates on the significant matters reported by the External Auditor as set out under the Independent Auditor's Report section of this Annual Report.

WHISTLE-BLOWING POLICY

The Company has in place a whistle-blowing policy by which staff of the Company and other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting, malpractices, fraudulent activities or other matters within the Group to the Internal Auditor and AC Chairman. The objective of such policy is to encourage and provide channel for staff to report in good faith and without fear of reprisals. It has well-defined process which ensures independent investigation of issues/concerns raised and appropriate follow-up action to be taken.

CORPORATE GOVERNANCE REPORT

Details of the whistle-blowing policy and reporting procedures have been made available to all employees.

The public, customers or other stakeholders can report possible irregularities or provide feedback through the Company's website at www.fjbenjamin.com. The Internal Auditor reviews the correspondence received and escalates to the CEO or AC Chairman/Lead Independent Director on any instances of potential irregularities. Independent investigations will be conducted on whistle-blowing reports made in good faith and follow up actions taken, if warranted.

The Group will take all reasonable steps to protect the identity of the whistle-blower so as to ensure that the identity of the whistle-blower is kept confidential – subject to legal or regulatory requirements. All information disclosed during the course of investigation will remain confidential, except as necessary or appropriate to conduct the investigation and to take any remedial action, in accordance with any applicable laws and regulations. The Group prohibits any detrimental or unfair treatment, such as discrimination, retaliation or harassment of any kind, against a whistle-blower who submits a complaint or report in good faith.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provisions 11.1, 11.2, 11.3 and 11.4 Conduct of General Meetings

The Board aims to provide timely release of financial information and general meeting notice and circulars to enable Shareholders to prepare and participate effectively and vote at general meetings. To encourage participation of Shareholders, the Company strives to hold general meetings at venues which are accessible to Shareholders.

The general meetings, particularly AGMs, represent the primary platform for interaction between the Shareholders, the Board and management. In fostering effective participation of and engagement with Shareholders at the general meetings, all Directors and External Auditor are present in person to engage directly with the Shareholders and address Shareholders' queries about the conduct of audit and the preparation, content of the auditor's report, businesses and matters related to the agenda. The attendance of Directors for the AGM held on 27 October 2021 and the extraordinary general meeting of the Company ("EGM") held on 28 January 2022 is set out under Provision 1.5 of this report.

At the general meetings, Shareholders are given the opportunity to voice their views and direct questions regarding the Group and its businesses to the Board. To encourage greater Shareholders' participation, the Company's Constitution permits a member to appoint up to two proxies to attend and vote on his or her behalf. The Company's Constitution also provides that a proxy need not be a member of the Company. Relevant intermediaries are entitled to appoint more than two proxies to attend and vote at the general meetings.

CORPORATE GOVERNANCE REPORT

Separate resolutions are proposed as individual agenda items unless the resolutions are interdependent and linked so as to form one significant proposal. For resolutions that are inter-conditional or special business, explanations will be provided to the Shareholders.

Voting at the general meetings will be by way of poll. Members are briefed on the procedures of voting at the general meetings by independent polling agent. Announcement on the poll results (showing the number of votes cast for and against each resolution and the respective percentages) will be released after the general meetings via SGXNet.

Voting in absentia by mail, email or fax is currently not permitted to ensure proper authentication of the identity of the Shareholders and their voting intentions.

Due to the COVID-19 pandemic and in line with the initiatives implemented by the regulatory bodies (i.e. the Joint Guidance issued by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and Singapore Exchange Regulation), the Company conducted a virtual AGM for FY2021 on 27 October 2021 and a virtual EGM on 28 January 2022 (collectively known as, "FY2021 General Meetings"). The FY2021 General Meetings were conducted in accordance with COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("COVID-19 Order"). A "live" audio-visual webcast or "live" audio-only stream of the FY2021 General Meetings was made available to participating Shareholders who had registered and were assigned a unique link to access the "live" audio-visual webcast or "live" audio-only stream. For the EGM held on 28 January 2022, Shareholders casted their votes and submitted text-based questions live during the meeting. The FY2021 General Meetings' results of the poll votes on each resolution tabled at the FY2021 General Meetings (including the total number of votes cast for or against each resolution) were announced at the FY2021 General Meetings and via SGXNet thereafter.

The forthcoming AGM in respect of FY2022 will be convened and held in the physical face-to-face format practiced pre-COVID-19.

Provision 11.5 Minutes of General Meetings

In line with the initiatives implemented by the regulatory bodies, the minutes of the FY2021 General Meetings, which were held by electronic means, were published by the Company on the Company's corporate website and SGXNet within one month after the respective dates of the FY2021 General Meetings.

In line with the regulations of the SGX-ST, the Company will also publish minutes of the forthcoming AGM on the Company's corporate website and SGXNet within one month after the date of the forthcoming AGM.

CORPORATE GOVERNANCE REPORT

Provision 11.6 Dividend Policy

The Company does not have a fixed 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 level of available cash, return on equity and retained earnings and projected level of capital expenditure and other investment plans.

Any declaration of dividend is clearly communicated to Shareholders via SGXNet together with the announcement of financial statements. The Company did not declare or recommend any dividend for FY2022 in view of the minimal profit made by the Company in this financial year.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The Company communicates regularly with its shareholders and facilitate the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

Provisions 12.1, 12.2 and 12.3 Communication with Shareholders

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 via SGXNet as soon as practicable. In addition, the Company communicates with Shareholders at least once annually at the AGM with its Shareholders.

Information is communicated to Shareholders and investors on a timely basis through:

- (a) annual reports and notice of general meetings issued to all Shareholders;
- (b) half year and full year announcements of financial results and other announcements or press releases via SGXNet; and
- (c) the Company's corporate website.

The Company's corporate website is www.fjbenjamin.com at which Shareholders can access information of the Group. It provides Shareholders and investors with access to all publicly-disclosed information, annual reports, new public releases and announcements. In addition, it has an Investor Relations section on its website for Shareholders to express their views.

The Company has engaged Catherine Ong Associates to address any queries that the investors, analysts, press or public might have on the Company's affairs. The investor relations team can be reached at cath@catherineong.com.

CORPORATE GOVERNANCE REPORT

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH SHAREHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Provisions 13.1, 13.2 and 13.3 Engagement with Stakeholders

The Company has arrangements in place to identify and engage its material stakeholder groups and to manage relationships with the groups. The key stakeholders that the Company has identified are shareholders, employees, customers, suppliers and government and regulatory bodies. The Company engages its stakeholders through various channels to ensure the best interest of the Group and the needs and interest of material stakeholders are aligned.

The sustainability report is prepared with reference to Global Reporting Index (“GRI”) Standards: ‘Core’ option and the Sustainability Reporting Guide of Practice Note 7F of the Catalist Rules. The Group will be issuing its Sustainability Report for FY2022 by the end of November 2022.

The Group maintains a corporate website at www.fjbenjamin.com at which stakeholders can access information of the Group.

OTHER CORPORATE GOVERNANCE MATTERS

Dealing in Securities (Catalist Rule 1204(19))

The Company has adopted the 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 one month before the announcement of the Company’s half year and full year financial 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 (Catalist Rule 1204(8))

Save for the service agreements entered into between the Company and each of the Executive Directors, there were no material contracts (including loans) entered into by the Company and its subsidiaries involving the interests of the CEO or any Director or controlling Shareholder which are either still subsisting as at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

CORPORATE GOVERNANCE REPORT

Interested Person Transactions (Catalist Rule 907)

Transactions with the Company's interested persons (a term that is defined in the Catalist Rules) are subject to review and approval by the Board comprising those Directors who do not have an interest in the transaction. Where required by the Catalist Rules, the AC reviews the transaction to determine that it is on normal commercial terms and hence, not prejudicial to the interests of the Company and its minority shareholders, before making recommendations to the Board for endorsement. For FY2022, there were no interested person transactions entered into by the Group that requires disclosure pursuant to the Catalist Rules.

Sponsorship

The continuing sponsor of the Company is ZICO Capital Pte. Ltd. (the "Sponsor"). There were no non-sponsor fees payable or paid to the Sponsor for FY2022.

Use of Proceeds from Rights Issue, Exercise of Warrants and Share Placement

On 5 April 2018 and 6 April 2018, the Company allotted and issued 341,225,914 new ordinary shares ("Rights Shares") with 682,451,828 free detachable warrants ("Warrants") under the Rights cum Warrants Issue (details as set out in the Company's circular to its Shareholders dated 15 February 2018 and offer information statement dated 12 March 2018 ("Offer Information Statement")). The total gross proceeds raised from the allotment and issuance of the Rights Shares under the Rights cum Warrants Issue, after accounting for the conversion into the Right Shares of certain loans owing by the Group to certain Shareholders (the "Conversion"), amounted to approximately S\$8,118,000.

As set out in the Company's announcements dated 17 May 2021 and 30 December 2021, on the expiry of the Warrants on 5 April 2021, a total of 157,378,132 Warrants had been exercised at the exercise price of S\$0.04. Accordingly, the Company raised aggregate gross proceeds of approximately S\$6,295,000. Following a review of the Group's current operating environment, and taking into consideration the on-going COVID-19 pandemic and safe distancing measures which impacted the businesses of the Group, the Board had reallocated an aggregate of S\$1,648,000 of the net proceeds from the exercise of Warrants, which was originally allocated for the expansion of the Group's business activities when the Rights cum Warrants Issue took place three years ago (pre-COVID-19) to general working capital purposes (the "Reallocation").

On 4 February 2022, the Company allotted and issued 120,000,000 new ordinary shares at an issue price of S\$0.025 per share pursuant to a placement exercise ("Share Placement"). The total gross proceeds raised from the Share Placement amounted to S\$3,000,000. Please refer to the Company's circular to its Shareholders dated 13 January 2022 ("Circular") for further details on the Share Placement.

The use of proceeds from the Rights cum Warrants issue and the Share Placement as at 30 June 2022 are as follows:

CORPORATE GOVERNANCE REPORT

Rights issue

	Amount S\$'000
<u>Total net proceeds available:</u>	
Gross proceeds received from allotment and issuance of the Rights Shares, after accounting for Conversion	8,118
Share issuance expenses	(435)
Net proceeds available	<u>7,683</u>
<u>Use of proceeds:</u>	
(i) General working capital	
Allocation as disclosed in the Offer Information Statement	3,842
Total amount utilised – repayment of trade invoices financed by banks and trade suppliers' invoices	<u>(3,842)</u>
Balance	<u>-</u>
(ii) Expansion of the Group's business activities	
Allocation as disclosed in the Offer Information Statement	3,841
Total amount utilised	<u>(800)</u>
Balance	<u>3,041</u>

Warrants

	Amount S\$'000
<u>Total net proceeds available:</u>	
Gross proceeds from exercise of Warrants	6,295
Share issuance expenses	(21)
Net proceeds available	<u>6,274</u>
<u>Use of proceeds:</u>	
(i) General working capital	
Allocation as disclosed in the Offer Information Statement	3,137
Reallocation	<u>1,648</u>
Amount based on Reallocation basis	4,785
Total amount utilised	<u>(4,785)¹</u>
Balance	<u>-</u>
(ii) Expansion of the Group's business activities	
Allocation as disclosed in the Offer Information Statement	3,137
Reallocation	<u>(1,648)</u>
Amount based on Reallocation basis	1,489
Total amount utilised	<u>(1,481)</u>
Balance	<u>8</u>

Note:

(1) Net proceeds used for general working capital comprising (a) S\$2,380,000 for repayment of trade invoices financed by banks and trade suppliers' invoices; and (b) S\$2,405,000 for repayment of non-trade creditors, which consisted of rental, freight costs and other operating expenses.

CORPORATE GOVERNANCE REPORT

Share Placement

	Amount S\$'000
<hr/>	
<u>Total net proceeds available:</u>	
Gross proceeds from Share Placement	3,000
Share issuance expenses	<u>(59)</u>
Net proceeds available	<u>2,941</u>
<u>Use of proceeds:</u>	
General working capital	
Allocation as disclosed in the Circular	2,941
Total amount utilised	<u>(1,917)²</u>
Balance	<u>1,024</u>

Note:

- (2) Net proceeds used for general working capital comprising (a) S\$1,214,000 for repayment of rental and other operating expenses; and (b) S\$703,000 for repayment of short term loan.

Save as disclosed above on the Reallocation, the use of net proceeds from the Rights cum Warrants Issue is in accordance with the intended uses and percentage allocations as disclosed in the Offer Information Statement. The use of net proceeds from the Share Placement is in accordance with the intended uses and percentage allocations as disclosed in the Circular.

The Company will continue to make periodic announcements on the utilisation of the balance of the net proceeds from the Rights cum Warrants Issue and the Share Placement as and when such net proceeds are materially disbursed or utilised, and whether such use is in accordance with the stated use and in accordance with the percentage allocated.

DIRECTORS' STATEMENT

The Directors present their statement 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 2022.

OPINION OF THE DIRECTORS

In the opinion of the Directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022 and the financial performance, changes in equity and cash flows of the Group and 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.

DIRECTORS

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

Mr Frank Benjamin	–	Non-Executive Chairman
Mr Eli Manasseh Benjamin	–	Executive Director and Chief Executive Officer
Mr Douglas Jackie Benjamin	–	Executive Director and Chief Operating Officer
Mr Ng Hin Lee	–	Independent Director
Mr Liew Choon Wei	–	Independent Director
Mr Yee Kee Shian, Leon	–	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' STATEMENT

DIRECTORS' INTEREST 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 1967, an interest in the shares of the Company as stated below:

Name of Director	Holdings registered in the name of Director or nominee		Holdings in which a Director is deemed to have an interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
<u>Ordinary shares of the Company</u>				
Mr Frank Benjamin	126,429,770	–	–	–
Mr Eli Manasseh Benjamin	31,710,050	31,710,050	–	–
Mr Douglas Jackie Benjamin	168,000	168,000	10,000	10,000

During the financial year, Mr Frank Benjamin transferred his shares held in the Company to Segulah Pte Ltd, the investment holding vehicle of Frank and Mavis Benjamin Trust.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 July 2022.

Except as disclosed in this statement, 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.

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.

DIRECTORS' STATEMENT

AUDIT COMMITTEE

The audit committee ("AC") carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act 1967, including the following:

- reviewed the financial and other information to be presented to shareholders, the system of internal control and risk management, and the audit process;
- reviewed the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance;
- maintain an appropriate relationship with the Company's External and Internal Auditors, and to review the scope, results, effectiveness, independence and objectivity of the audit process;
- reviewed and evaluated the adequacy of the system of internal control, including accounting controls, taking input from external audit, internal audit, risk management and compliance functions;
- reviewed the audit plan and audit report with the External Auditor;
- reviewed the scope of the internal audit plan with the Internal Auditor and approved it;
- reviewed the half year and annual financial statements, including announcements to shareholders and the Singapore Exchange Securities Trading Limited ("SGX-ST") prior to submission to the Board;
- reviewed and approved 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;
- reviewed the independence of the External Auditor and to make recommendations to the Board regarding the nomination of the External Auditor for appointment, re-appointment and removal; and to fix the remuneration and terms of engagement of the External Auditor; and
- reviewed the assurance from the CEO and CFO on the financial records.

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

The AC convened two 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.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

DIRECTORS' STATEMENT

AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors



Eli Manasseh Benjamin
Director



Douglas Jackie Benjamin
Director

Singapore
28 September 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of F J Benjamin Holdings Ltd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of F J Benjamin Holdings Ltd (the "Company") and its subsidiaries (the "Group"), which comprise the balance sheets of the Group and the Company as at 30 June 2022, 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of F J Benjamin Holdings Ltd

Key audit matters (continued)

Assessment of carrying value of an associate

The carrying value of the Group's investment in an associate and accumulated impairment loss amounted to \$14.4 million and \$5.7 million respectively as at 30 June 2022. The carrying value of the Group's investment in an associate represents 37% of the total net assets of the Group. As at 30 June 2022, in light of the market recovering from COVID-19 pandemic, management assessed that there were triggers of reversal of impairment and have accordingly, assessed the recoverable amount of the investment in an associate. The recoverable amount of the investment in an associate was determined based on value-in-use calculations using probability-based cash flow projections approved by management. For the financial year ended 30 June 2022, management reversed \$0.5 million of impairment loss on investment in an associate. We have identified this as a key audit matter as the recoverable amount calculation involves significant judgement and estimates that are affected by future market and economic conditions.

Our audit procedures included, amongst others, reviewing management's identification of triggers of reversal of impairment in the associate. We assessed the valuation methodology and the reasonableness of key assumptions used to estimate the recoverable amount of the investment. The key assumptions used includes revenue growth, budgeted gross margin, discount rate and the long-term growth rate. We assessed the reasonableness of the revenue growth rates and budgeted gross margin by comparing them to available external industry data and financial results available subsequent to year end, taking into consideration market conditions prevailing at the reporting date and past performance. As the market recovers from COVID-19 pandemic, we obtained an understanding of the current market condition and assessed the probabilities assigned by management to possible recovery scenarios. We involved our internal specialist to assess the reasonableness of discount rates and long-term growth rates used by checking the discount rate to comparable companies in the same industry and comparing the long-term growth rate to external economic data such as economic growth and inflation rate. We also assessed the adequacy of the disclosures on the investment in an associate in Note 15 to the financial statements.

Recoverability of trade and other debtors

As at 30 June 2022, the Group had trade and other debtors amounted to \$9.7 million and \$11.3 million respectively. The expected credit loss allowances ("ECL") on trade and other debtors amounted to \$0.1 million and \$3.8 million respectively as at 30 June 2022. The determination as to whether the debt is collectable and the amount to be recognised for the expected credit losses involves significant management judgement. In estimating the ECL, management has considered various factors such as past due balances, recent historical payment patterns and credit loss patterns over a period, debtors' financial ability to repay, existence of disputes, economic environment and forecast of future macro-economic conditions where the debtors operate, taking into consideration the current market condition as it recovers from COVID-19 pandemic and any other available information concerning the creditworthiness of debtors. Given the high level of management judgement involved and the materiality of the amounts involved, we have focused our attention on this area.

INDEPENDENT AUDITOR'S REPORT

To the Members of F J Benjamin Holdings Ltd

Key audit matters (continued)

Recoverability of trade and other debtors (continued)

We evaluated the Group's processes and controls relating to the monitoring of the outstanding debts due. Our audit procedures included, among others, requesting receivables confirmations and obtaining evidence of receipts from debtors subsequent to the year end. For other debtors, we reviewed management's determination of whether there was a significant increase in the credit risk of the other receivables since initial recognition. We also evaluated management's assessment of the recoverability of the debts through reviewing debtor aging report to identify collection risk, reviewing historical payment patterns and correspondences with customers on expected settlement dates. In addition, we reviewed the reasonableness of the key data sources and assumptions used in the computation of loss rate and forward looking adjustment, taking into consideration the current market conditions.

We also assessed the adequacy of the disclosures on the trade debtors, other debtors and the related risks such as credit risk and liquidity risk in Notes 3.2(iii), 17, 18, 27(a) and 27(c) to the financial statements.

Impairment assessment of furniture, fixtures and equipment ("FFE"), right-of-use assets ("ROUA") and investment in subsidiaries

The Group operates numerous retail stores primarily in Singapore and Malaysia through its subsidiaries. As at 30 June 2022, the carrying amount of the Group's FFE and ROUA is \$2.2 million and \$8.4 million respectively. Investment in subsidiaries amounted to \$38.9 million as at 30 June 2022. The impairment losses recognised for the year are disclosed in Note 12, Note 13 and Note 14 respectively. During the year ended 30 June 2022, management recognised impairment loss on ROUA of \$0.04 million. Management's impairment assessment of these assets using value-in-use and fair value less cost of disposal calculations were significant to the audit due to magnitude of the carrying amount of assets, heightened level of estimation uncertainty associated with current market and economic condition and it involved significant management judgement. Hence, we consider this to be a key audit matter.

Our audit procedures included, amongst others, reviewing management's identification of impairment indicators. In evaluating management's estimation of the recoverable amount, we tested management's key assumptions underlying the value-in-use calculation. The key assumptions include projections of revenue growth rate, gross profit margin, discount rates and long-term growth rate. We assessed the revenue growth rates and gross profit margin by comparing them to recent performance of the stores and available external industry data prevailing at reporting date, taking into consideration current economic environment. We involved our internal specialist to assess the reasonableness of discount rates and long-term growth rates used by checking the discount rate to comparable companies in the same industry and comparing the long-term growth rate to external economic data such as economic growth and inflation rate. We also assessed the adequacy and appropriateness of the related disclosures set out in Note 3.2(i), Note 12, Note 13 and Note 14 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of F J Benjamin Holdings Ltd

Key audit matters (continued)

Adequacy of allowances for inventory obsolescence and net realisable value

As at 30 June 2022, the carrying amount of inventories amounted to \$20.3 million, after considering the allowance for inventory obsolescence of \$1.9 million. As the Group sells retail merchandise that is subject to changing consumer demands and fashion trends, significant judgement is required to assess and estimate the appropriate level of allowance for merchandise. Such judgements include management's expectations for future sales, inventory liquidation plans and management's forecast of inventory levels required to meet consumer demand. In addition, the judgements used by management may vary between business units depending on the nature of the merchandise. As such, we determine this to be a key audit matter.

Our audit procedures included, amongst others, assessing the process, methods and assumptions used by management to develop the policy for allowance for obsolescence. We considered the reasonableness of management's estimates used in determining the allowance for obsolescence by reviewing the historical markdowns of inventory values, gross margin analysis, historical sales pattern of inventories and future sales expectations, taking into consideration the gross margins on sales subsequent to the year end. We have reviewed on sample basis that inventory items are categorised appropriately in the relevant ageing bracket and assessed the reasonableness of allowances percentage applied by reference to utilisation based on actual sales made.

We also assessed the adequacy of the related disclosures set out in Note 3.2(ii) and Note 16 to the financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

To the Members of F J Benjamin Holdings Ltd

Responsibilities of management and directors 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 Act and SFRS(I), 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

To the Members of F J Benjamin Holdings Ltd

Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

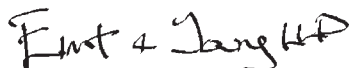
We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ang Chuen Beng.



Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

28 September 2022

CONSOLIDATED INCOME STATEMENT

For the financial year ended 30 June 2022

(In Singapore Dollars)

	Note	Group 2022 \$'000	2021 \$'000
Revenue	5	80,903	66,839
Other income	6	729	2,243
Interest income		9	13
		<u>81,641</u>	<u>69,095</u>
Cost of goods sold		(40,958)	(33,056)
Staff costs	7	(14,784)	(14,026)
Rental of premises		(3,118)	(2,404)
Advertising and promotion		(2,240)	(2,154)
Depreciation of furniture, fixtures and equipment	12	(1,839)	(2,269)
Depreciation of right-of-use assets	13	(10,328)	(12,552)
Other operating expenses		(6,787)	(6,667)
Operating profit / (loss) before expected credit losses allowance and impairment		1,587	(4,033)
Reversal of allowance / (allowance) for expected credit losses		1,035	(1,598)
Impairment of furniture, fixtures and equipment and right-of-use assets		(40)	(206)
Reversal of impairment loss / (impairment loss) on investment in an associate	15	469	(1,241)
Operating profit / (loss)		3,051	(7,078)
Interest expenses from borrowings	9	(723)	(868)
Interest expenses from lease liabilities	22	(376)	(656)
Foreign exchange gain, net		67	401
Share of results of associate, net of tax		1,867	(2,410)
Profit / (loss) before tax	8	3,886	(10,611)
Income tax expenses	10	(954)	(260)
Net profit / (loss) for the year		<u>2,932</u>	<u>(10,871)</u>
Profit / (loss) attributable to:			
Equity holders of the parent		2,975	(10,871)
Non-controlling interests		(43)	–
		<u>2,932</u>	<u>(10,871)</u>
Earnings / (loss) per share (cents)			
Basic and diluted	11	<u>0.27</u>	<u>(1.14)</u>

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2022

(In Singapore Dollars)

	Group	
	2022	2021
	\$'000	\$'000
Profit / (loss) for the year	2,932	(10,871)
Other comprehensive income:		
Item that may be reclassified subsequently to profit or loss:		
Foreign currency translation	(638)	19
Share of other comprehensive income of associate, net of tax	(15)	(42)
Total comprehensive income for the year	<u>2,279</u>	<u>(10,894)</u>
Total comprehensive income attributable to:		
Equity holders of the parent	2,322	(10,894)
Non-controlling interests	(43)	–
	<u>2,279</u>	<u>(10,894)</u>

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

BALANCE SHEETS

As at 30 June 2022

(In Singapore Dollars)

	Note	Group		Company	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Furniture, fixtures and equipment	12	2,225	4,244	169	220
Right-of-use assets	13	8,411	15,009	48	125
Subsidiaries	14	–	–	38,923	39,933
Investment in an associate	15	14,409	12,127	–	–
Deferred tax assets	21	407	369	–	–
		<u>25,452</u>	<u>31,749</u>	<u>39,140</u>	<u>40,278</u>
Current assets					
Inventories	16	20,339	26,452	–	–
Trade debtors	17	9,659	11,149	–	–
Other debtors	18	11,294	10,272	4,858	48
Prepayments and advances		552	354	49	16
Tax recoverable		13	505	–	–
Cash on hand and at bank	26	12,510	12,154	4,128	4,446
		<u>54,367</u>	<u>60,886</u>	<u>9,035</u>	<u>4,510</u>
Current liabilities					
Trade and other creditors	19	15,598	20,735	2,395	1,088
Borrowings	20	13,254	18,077	19	18
Lease liabilities	22	5,727	10,351	61	89
Provision for taxation		294	–	–	–
		<u>34,873</u>	<u>49,163</u>	<u>2,475</u>	<u>1,195</u>
Net current assets		19,494	11,723	6,560	3,315
Non-current liabilities					
Other creditors	19	–	–	8,450	9,753
Borrowings	20	3,246	4,714	93	112
Lease liabilities	22	3,190	5,492	–	60
		<u>6,436</u>	<u>10,206</u>	<u>8,543</u>	<u>9,925</u>
Net assets		<u>38,510</u>	<u>33,266</u>	<u>37,157</u>	<u>33,668</u>
Equity					
Share capital	23	186,170	183,229	186,170	183,229
Foreign currency translation reserve	24	(1,271)	(633)	–	–
Other reserves	25	380	395	–	–
Accumulated losses		(146,750)	(149,725)	(149,013)	(149,561)
Equity attributable to equity holders of the parent		38,529	33,266	37,157	33,668
Non-controlling interests		(19)	–	–	–
Total equity		<u>38,510</u>	<u>33,266</u>	<u>37,157</u>	<u>33,668</u>

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2022

(In Singapore Dollars)

	Attributable to the equity holders of the parent						
	Share capital \$'000	Foreign currency translation reserve \$'000	Other reserves \$'000	Accumulated losses \$'000	Total equity \$'000	Non- controlling interests \$'000	Total equity \$'000
Group							
At 1 July 2021	183,229	(633)	395	(149,725)	33,266	–	33,266
Profit / (loss) for the year	–	–	–	2,975	2,975	(43)	2,932
<u>Other comprehensive income</u>							
Foreign currency translation	–	(638)	–	–	(638)	–	(638)
Share of other comprehensive income of associate, net of tax	–	–	(15)	–	(15)	–	(15)
Total comprehensive income for the year	–	(638)	(15)	2,975	2,322	(43)	2,279
Capital contribution from a non-controlling interest	–	–	–	–	–	24	24
Issuance of shares from placement	3,000	–	–	–	3,000	–	3,000
Share issuance expenses	(59)	–	–	–	(59)	–	(59)
At 30 June 2022	186,170	(1,271)	380	(146,750)	38,529	(19)	38,510
At 1 July 2020	176,955	(652)	437	(138,854)	37,886	–	37,886
Loss for the year	–	–	–	(10,871)	(10,871)	–	(10,871)
<u>Other comprehensive income</u>							
Foreign currency translation	–	19	–	–	19	–	19
Share of other comprehensive income of associate, net of tax	–	–	(42)	–	(42)	–	(42)
Total comprehensive income for the year	–	19	(42)	(10,871)	(10,894)	–	(10,894)
Issuance of shares from exercise of warrants	6,295	–	–	–	6,295	–	6,295
Share issuance expenses	(21)	–	–	–	(21)	–	(21)
At 30 June 2021	183,229	(633)	395	(149,725)	33,266	–	33,266

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2022

(In Singapore Dollars)

	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
Company			
At 1 July 2021	183,229	(149,561)	33,668
Profit for the year, representing total comprehensive income for the year	–	548	548
Issuance of shares from placement	3,000	–	3,000
Share issuance expenses	(59)	–	(59)
At 30 June 2022	<u>186,170</u>	<u>(149,013)</u>	<u>37,157</u>
At 1 July 2020	176,955	(144,289)	32,666
Loss for the year, representing total comprehensive income for the year	–	(5,272)	(5,272)
Issuance of shares from exercise of warrants	6,295	–	6,295
Share issuance expenses	(21)	–	(21)
At 30 June 2021	<u>183,229</u>	<u>(149,561)</u>	<u>33,668</u>

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 30 June 2022

(In Singapore Dollars)

	Group	
	2022	2021
	\$'000	\$'000
Cash flows from operating activities:		
Profit / (loss) before tax	3,886	(10,611)
Adjustments for:		
Depreciation of furniture, fixtures and equipment	1,839	2,269
Depreciation of right-of-use assets	10,328	12,552
Share of results of associate, net of tax	(1,867)	2,410
Currency realignment	(456)	(483)
Loss on disposal of furniture, fixtures and equipment	133	106
Interest income	(9)	(13)
Interest expenses from borrowings	723	868
Interest expenses from lease liabilities	376	656
Impairment of furniture, fixtures and equipment and right-of-use assets (Reversal of impairment loss) / impairment loss on investment in an associate	(469)	1,241
Allowance / (reversal of allowance) for inventory obsolescence and inventories written off, net	546	(531)
(Reversal of allowance) / allowance for expected credit losses	(1,035)	1,598
Operating cash flows before working capital changes	<u>14,035</u>	<u>10,268</u>
Decrease / (increase) in debtors	1,503	(173)
(Increase) / decrease in prepayments and advances	(198)	145
Decrease in inventories	5,567	3,262
Decrease in creditors	(5,137)	(2,765)
Cash flows generated from operations	<u>15,770</u>	<u>10,737</u>
Interest received	9	13
Income tax paid	(216)	(271)
Net cash flows generated from operating activities	<u>15,563</u>	<u>10,479</u>
Cash flows from investing activities:		
Purchase of furniture, fixtures and equipment	(66)	(513)
Proceeds from disposal of furniture, fixtures and equipment	71	115
Net cash flows from / (used in) investing activities	<u>5</u>	<u>(398)</u>
Cash flows from financing activities:		
Capital contribution from a non-controlling interest	24	–
Proceeds from issuance of shares from exercise of warrants	–	6,295
Proceeds from issuance of shares from placement	3,000	–
Share issuance expenses	(59)	(21)
Repayment of bank borrowings	(4,735)	(2,598)
Proceeds from bank borrowings	–	1,111
Repayment of other borrowings	(93)	(367)
Interest paid	(723)	(868)
Payment of lease liabilities	(11,061)	(12,975)
Net cash flows used in financing activities	<u>(13,647)</u>	<u>(9,423)</u>
Net increase in cash and cash equivalents	1,921	658
Cash and cash equivalents at beginning of financial year	9,133	8,515
Net effect of exchange rate changes on opening cash and cash equivalents	(104)	(40)
Cash and cash equivalents at end of financial year (Note 26)	<u>10,950</u>	<u>9,133</u>

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

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 located at 1 Jalan Kilang Timor, #07-01/02 Pacific Tech Centre, Singapore 159303.

The principal activities of the Company are those of investment holding and the provision of management services to its subsidiaries. The principal activities of the subsidiaries are disclosed in Note 4 to the financial statements.

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 (International) ("SFRS(I)").

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 Adoption of new and amended standards and interpretations

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 2021. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

Adoption of amendment to SFRS(I) 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021

The Group has adopted the further amendment to SFRS(I) 16 which was issued to extend the scope of the rent concessions to include payments originally due on or before 30 June 2022.

The amount of COVID-19-related rent concessions recognised directly in the consolidated income statement and statement of comprehensive income is disclosed in Note 13.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
Amendments to SFRS(I) 3: Reference to the Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1-16: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1: Classification of Liabilities as Current and Non-current	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8: Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The Directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation and business combinations (continued)

(a) Basis of consolidation (continued)

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;
- 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

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.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, are 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 SFRS(I).

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 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.

(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.

2.6 Furniture, fixtures and equipment

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

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

Furniture and fittings	–	3 to 10 years
Electrical installation and office equipment	–	3 to 7 years
Motor vehicles	–	5 years
Data processing equipment	–	3 years
Leasehold improvements	–	2 to 6 years

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Furniture, fixtures and equipment (continued)

Assets under construction included in leasehold improvements are not depreciated as these assets are not yet available for use.

The carrying values of 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 furniture, fixtures and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

2.7 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 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 balance sheet, investments in subsidiaries are accounted for at cost less impairment losses.

2.9 Associates

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 accounts for its investment in an associate using the equity method from the date on which it becomes an associate.

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 represents 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's profit or loss in the period in which the investment is acquired.

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Associates (continued)

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 associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in an associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of associate 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.

Upon loss of significant influence over an associate, 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.

If the Group's ownership interest in an associate 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.

2.10 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.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade debtors are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade debtors do not contain a significant financing component at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial instruments (continued)

(a) Financial assets (continued)

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income and fair value through profit or loss. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through amortisation process.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 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

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 de-recognised, 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. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.11 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default ("a lifetime ECL").

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Impairment of financial assets (continued)

For trade debtors, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when the counterparty fails to make contractual payments and when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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.

2.13 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.

2.14 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 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".

2.16 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 measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.11 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

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.

2.18 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Employee benefits (continued)

(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.

(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 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.

2.19 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right of use of the underlying assets.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Leases (continued)

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold buildings	–	1 to 5 years
Office equipment	–	1 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The accounting policy for impairment of non-financial assets is set out in Note 2.7.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Leases (continued)

(ii) Lease liabilities (continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.20 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Revenue (continued)

The Group assesses its revenue arrangements to determine if it is acting as a principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(a) Sale of goods

Revenue from sale of goods is recognised upon the satisfaction of each performance obligation, which is 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.

Contract liability is recognised when the Group has not yet delivered the goods but has received advanced payments from the customer. Contract liabilities are recognised as revenue as the Group satisfies the performance obligation.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Dividend income

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

(d) Market support and administrative service income

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Taxes (continued)

(b) Deferred tax (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 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.

2.22 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.

2.23 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities. 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 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management is of the opinion that there is no instance of impact application of judgement which is expected to have a significant impact on the amounts recognised in the consolidated financial statements, apart from those involving estimations described below.

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) Assessment of impairment of non-financial assets

The Group and Company assess whether there are indicators of impairment for furniture, fixtures and equipment, right-of-use assets, investment in subsidiaries and investment in an associate 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 recoverable amounts of the cash-generating units which is determined based on the higher of fair value less cost to sell ("FVLCTS") and value-in-use ("VIU") methods. In determining the recoverable amounts of the cash-generating units, the Group and Company evaluate, amongst other factors, the market and economic environment in which the cash-generating units operate and the economic performance of these assets.

The carrying amounts of the Group's furniture, fixtures and equipment and right-of-use assets as at 30 June 2022 were approximately \$2,225,000 (2021: \$4,244,000) and \$8,411,000 (2021: \$15,009,000) respectively. The key assumptions are disclosed in Notes 12 and 13. There is no material impact to the carrying amount of furniture, fixtures and equipment and right-of-use assets if the estimated discount rate used in the calculation had increased by 0.5%.

The carrying amount of the Company's investment in subsidiaries as at 30 June 2022 was approximately \$38,923,000 (2021: \$39,933,000). The key assumptions are disclosed in Note 14. An increase in estimated discount rate by 0.5% would result in a further impairment loss on the investment in subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

3.2 Key sources of estimation uncertainty (continued)

(i) Assessment of impairment of non-financial assets (continued)

The carrying amount of the Group's investment in an associate as at 30 June 2022 was approximately \$14,409,000 (2021: \$12,127,000). The key assumptions are disclosed in Note 15. There is no material impact to the recoverable amount of investment in an associate if the estimated discount rate used in calculation had increased by 0.5%.

(ii) Allowance for inventory obsolescence and net realisable value

Allowance for inventory obsolescence is estimated based on the best available facts and circumstances at the end of each reporting period, including but not limited to the historical markdowns of inventory values, gross margin analysis, historical sales pattern of inventories and future sales expectations.

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 inventory. The carrying amount of the Group's inventories as at 30 June 2022 was approximately \$20,339,000 (2021: \$26,452,000).

(iii) Expected credit losses ("ECL") of trade and other debtors

The Group uses a provision matrix to calculate ECLs for trade debtors. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed. For other debtors, ECLs is measured based on general approach. If the credit risk of the other debtors has not increased significantly since initial recognition, a loss allowance of 12-month is recognised. A loss allowance for lifetime expected credit losses is recognised if there has been a significant increase in credit risk since initial recognition of the other debtors.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances of forecast economic conditions. The Group's historical loss experience and forecast of economic conditions may not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade and other debtors is disclosed in Note 27(a).

The carrying amounts of the Group's trade and other debtors as at 30 June 2022 were approximately \$9,659,000 and \$11,294,000 (2021: \$11,149,000 and \$10,272,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

4. GROUP COMPANIES

(A) The subsidiaries as at 30 June are:

	Name of company [country of incorporation]	Principal activities	Percentage of equity interest	
			2022 %	2021 %
<i>Held by the Company</i>				
~	Fashion Dynamics International Pte Ltd [Singapore]	Investment holding company	100	100
~	F. J. B. Investment Pte Ltd [Singapore]	Investment holding company	100	100
~	F J Benjamin Concepts Pte Ltd [Singapore]	Investment holding company	100	100
~	F J Benjamin Ideas Pte Ltd [Singapore]	Dormant	100	100
#	F J Benjamin (M) Sdn. Bhd. [Malaysia]	Importers, distributors and retailers of consumer fashion wear, accessories, timepieces, beauty and health and wellness products	100	100
@	F J Benjamin (H.K.) Limited [Hong Kong]	Dormant	100	100
@	Ferro Designs Limited [Hong Kong]	Investment holding company	100	100

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

4. GROUP COMPANIES (CONTINUED)

(A) The subsidiaries as at 30 June are: (continued)

	Name of company [country of incorporation]	Principal activities	Percentage of equity interest	
			2022 %	2021 %
<i>Held through subsidiaries</i>				
~	Nootrees Pte Ltd [Singapore]	Dormant	100	100
~	F J Benjamin Lifestyle Pte Ltd [Singapore]	Dormant	100	100
~	F J Benjamin (Singapore) Pte Ltd [Singapore]	Importers, exporters, distributors and retailers of consumer fashion wear, accessories, timepieces, home furnishings, beauty and health and wellness products	100	100
~	Fashion Dynamics Singapore Pte Ltd [Singapore]	Dormant	100	100
#	F J Benjamin Lifestyle Sdn. Bhd. [Malaysia]	Dormant	100	100
#	F J Benjamin Luxury Timepieces Sdn. Bhd. [Malaysia]	Dormant	100	100
@	F J Benjamin Timepieces (HK) Limited [Hong Kong]	Wholesale and retail of watches and accessories	100	100
@	Fashion Dynamics HK Ltd [Hong Kong]	Sourcing activities	100	100
+	F. J. Benjamin Fashions (U.S.), Inc. [United States]	Dormant	100	100

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

4. GROUP COMPANIES (CONTINUED)

(A) The subsidiaries as at 30 June are: (continued)

	Name of company [country of incorporation]	Principal activities	Percentage of equity interest	
			2022	2021
			%	%
<i>Held through subsidiaries (continued)</i>				
+	F J Benjamin Italy S.R.L. [Italy]	Dormant	100	100
+	PT Meteor Prima Sejati [Indonesia]	Importers, exporters and distributors of consumer fashion wear, timepieces 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 Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist.

@ Audited by YATA Certified Public Accountants, Hong Kong.

(B) Interest in subsidiary with non-controlling interest as at 30 June are:

	Name of company [country of incorporation]	Principal activities	Percentage of equity interest	
			2022	2021
			%	%
^	The Luxe Concierge Pte Ltd [Singapore]	Provision of delivery services	51%	–

^ Audited by KMC & Partners LLP, Singapore.

Acquisition of interest in The Luxe Concierge Pte Ltd ("The Luxe Concierge")

The Luxe Concierge was incorporated with an issued and paid-up share capital of \$50,000 on 17 September 2021. Shareholders of The Luxe Concierge are F.J.B Investment Pte Ltd (a wholly-owned subsidiary of the Company) and Prestige Luxe Limited (an unrelated third party company incorporated in the British Virgin Islands) (49%). The Group acquired 51% interest in The Luxe Concierge for a cash consideration of \$25,500.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

5. REVENUE

Revenue of the Group represents the invoiced value of sale of goods to external customers.

	Group	
	2022	2021
	\$'000	\$'000
Timing of transfer of goods		
At a point in time	80,903	66,839

(a) Disaggregation of revenue

The Group has determined that disaggregation of revenue using existing segments and geographical markets meet the disclosure objective of SFRS(I) 15.114. Information regarding operating segments is disclosed in Note 29.

(b) Contract liabilities

	Group	
	2022	2021
	\$'000	\$'000
Contract liabilities (Note 19)	66	77

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for sale of gift vouchers and loyalty programme.

Contract liabilities are recognised as revenue as the Group performs under the contract.

Set out below is the amount of revenue recognised from:

	Group	
	2022	2021
	\$'000	\$'000
Amounts included in the contract liabilities at the beginning of the year	2	1

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

6. OTHER INCOME

	Group	
	2022	2021
	\$'000	\$'000
Market support and administrative service income (Note 32)	265	450
Government grants ⁽¹⁾	546	1,825
Loss on disposal of furniture, fixtures and equipment	(133)	(106)
Reversal of provision for restoration cost (Note 19)	9	7
Others	42	67
	<u>729</u>	<u>2,243</u>

(1) Comprise mainly grant income received by the Group under Jobs Support Scheme, Wage Credit Scheme and Temporary Credit Scheme.

7. STAFF COSTS

	Group	
	2022	2021
	\$'000	\$'000
Salaries and bonuses	10,283	10,282
Provident fund contributions	1,657	1,699
Other short-term benefits	2,844	2,045
	<u>14,784</u>	<u>14,026</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

8. PROFIT / (LOSS) BEFORE TAX

The following items have been included in arriving at profit / (loss) before tax:

	Group	
	2022	2021
	\$'000	\$'000
Audit fees:		
– Auditors of the Company	232	229
– Other auditors	35	29
Non-audit fees:		
– Auditors of the Company	69	78
– Other auditors	41	24
Reversal of allowance for inventory obsolescence, net (Note 16)	(51)	(735)
Inventories written off (Note 16)	597	204
Outlet related expenses	1,360	1,228
Transportation and accommodation expenses	108	68
Utilities	357	383
Freight, warehousing, handling and shipping costs *	1,759	1,700
Royalties	231	325
Professional and legal fees	432	522
Telecommunication	226	296
Repair and maintenance	473	402

* Included fees paid to third party warehousing and logistic provider.

9. INTEREST EXPENSES FROM BORROWINGS

	Group	
	2022	2021
	\$'000	\$'000
Interest expense on:		
– Bank borrowings	705	818
– Other borrowings	18	50
	723	868

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

10. INCOME TAX EXPENSES

Major components of income tax expense

The major components of income tax expense for financial years ended 30 June are:

	Group	
	2022	2021
	\$'000	\$'000
Current income tax:		
– Current tax	1,001	295
– Under / (over) provision in respect of prior years	1	(42)
Deferred income tax:		
– Movements in temporary differences	(48)	42
– Over provision in respect of prior years	–	(35)
Income tax expense recognised in profit or loss	<u>954</u>	<u>260</u>

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit / (loss) multiplied by the applicable corporate tax rate for the years ended 30 June 2022 and 2021 is as follows:

	Group	
	2022	2021
	\$'000	\$'000
Profit / (loss) before share of results of associate and before tax	<u>2,019</u>	<u>(8,201)</u>
Tax at the domestic rates applicable to profits in the countries where the Group operates	578	(1,375)
Adjustments:		
Income not subjected to tax	(679)	(201)
Expenses not deductible for tax purposes	493	1,206
Deferred tax assets not recognised	561	707
Under / (over) provision in respect of prior years	1	(77)
Income tax expense recognised in profit or loss	<u>954</u>	<u>260</u>

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

As at 30 June 2022, certain subsidiaries had unutilised tax losses of approximately \$81.7 million (2021: \$78.4 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

11. EARNINGS / (LOSS) PER SHARE

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

Diluted earnings / (loss) per share amounts are calculated by dividing the profit / (loss) for the financial year that is attributable to equity holders of the parent 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 profit / (loss) and share data used in the computation for basic and diluted earnings / (loss) per share for the financial years ended 30 June:

	Group	
	2022	2021
	\$'000	\$'000
Net profit / (loss) for the financial year attributable to equity holders of the parent used in the computations of basic and diluted earnings / (loss) per share	2,975	(10,871)
	'000	'000
Weighted average number of ordinary shares for basic and diluted earnings / (loss) per share computation	1,115,314	952,027

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

12. FURNITURE, FIXTURES AND EQUIPMENT

	Furniture and Fittings \$'000	Electrical Installation and Office Equipment \$'000	Motor Vehicles \$'000	Data Processing Equipment \$'000	Leasehold Improvements \$'000	Total \$'000
Group Cost						
At 1 July 2020	1,101	1,862	807	2,593	19,183	25,546
Currency realignment	(6)	(8)	(1)	(15)	(89)	(119)
Additions	–	9	259	65	324	657
Disposals	(42)	–	(397)	(11)	(840)	(1,290)
At 30 June 2021 and 1 July 2021	1,053	1,863	668	2,632	18,578	24,794
Currency realignment	1	(28)	(5)	(21)	(296)	(349)
Additions	–	–	21	25	20	66
Disposals	(42)	(349)	–	(90)	(2,612)	(3,093)
At 30 June 2022	1,012	1,486	684	2,546	15,690	21,418
Accumulated depreciation and impairment loss						
At 1 July 2020	969	1,569	807	2,408	13,537	19,290
Currency realignment	(6)	(7)	(1)	(15)	(76)	(105)
Depreciation charge for the financial year	65	93	39	113	1,959	2,269
Impairment loss	–	–	–	–	165	165
Disposals	(40)	–	(397)	(11)	(621)	(1,069)
At 30 June 2021 and 1 July 2021	988	1,655	448	2,495	14,964	20,550
Currency realignment	2	(28)	(4)	(19)	(258)	(307)
Depreciation charge for the financial year	54	75	52	92	1,566	1,839
Disposals	(42)	(346)	–	(90)	(2,411)	(2,889)
At 30 June 2022	1,002	1,356	496	2,478	13,861	19,193
Net carrying amount						
At 30 June 2022	10	130	188	68	1,829	2,225
At 30 June 2021	65	208	220	137	3,614	4,244

Assets under construction

The Group's leasehold improvements included \$40,000 (2021: \$27,000) which relate to expenditure for retail outlets in the course of renovation.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

12. FURNITURE, FIXTURES AND EQUIPMENT (CONTINUED)

	Electrical Installation and Office Equipment \$'000	Motor Vehicles \$'000	Data Processing Equipment \$'000	Leasehold Improvements \$'000	Total \$'000
Company					
Cost					
At 1 July 2020	233	397	36	48	714
Additions	–	259	–	–	259
Disposal	–	(397)	–	–	(397)
At 30 June 2021 and 1 July 2021	233	259	36	48	576
Additions	–	–	2	–	2
At 30 June 2022	233	259	38	48	578
Accumulated depreciation and impairment loss					
At 1 July 2020	233	397	35	48	713
Depreciation charge for the financial year	–	39	1	–	40
Disposal	–	(397)	–	–	(397)
At 30 June 2021 and 1 July 2021	233	39	36	48	356
Depreciation charge for the financial year	–	51	2	–	53
At 30 June 2022	233	90	38	48	409
Net carrying amount					
At 30 June 2022	–	169	–	–	169
At 30 June 2021	–	220	–	–	220

Assets through borrowings

During the financial year, the Group acquired furniture, fixtures and equipment amounting to \$66,000 (2021: \$657,000) of which \$nil (2021: \$144,000) were acquired by way of external borrowings.

The carrying amount of furniture, fixtures and equipment purchased through borrowings at the reporting period were \$217,000 (2021: \$500,000).

Assets pledged as security

Motor vehicle is pledged as security for the related borrowings. There were no other assets pledged as security for bank facilities as at 30 June 2022 and 30 June 2021.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

12. FURNITURE, FIXTURES AND EQUIPMENT (CONTINUED)

Impairment testing

In light of the recovering situation of COVID-19 pandemic, while there are outlets in loss making position, certain outlets managed to turn profitable during the financial year. Management has determined that there is an indicator of impairment and trigger for reversal of impairment on the furniture, fixtures and equipment and right-of-use assets of the outlet cash-generating unit. The recoverable amounts of the furniture, fixtures and equipment and right-of-use assets (Note 13 to financial statements) have been determined based on value-in-use calculations using cash flow projections approved by management and fair value less cost to sell. The pre-tax discount rate applied to the cash flows projections ranges from 9.64% to 14.47% (2021: 9.64% to 13.16%). During the financial year, management recognised impairment loss on furniture, fixtures and equipment of \$nil and right-of-use assets of \$40,000 (2021: impairment loss of \$165,000 and \$41,000) respectively.

13. RIGHT-OF-USE ASSETS

The Group's office equipment and leasehold buildings which comprises of office, retail operations and warehouse are non-cancellable within the lease period. These leases have varying terms, escalation clauses and renewal rights. Some leases contain extension options exercisable by the Group before the end of the non-cancellable period. These extension options are included in the carrying amount of right-of-use assets and lease liabilities if it is reasonably certain that the extension options will be exercised.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

13. RIGHT-OF-USE ASSETS (CONTINUED)

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Office Equipment \$'000	Leasehold Buildings \$'000	Total \$'000
Group			
Cost			
At 1 July 2020	222	29,803	30,025
Additions	–	7,891	7,891
Termination	–	(5,252)	(5,252)
Currency realignment	–	(115)	(115)
At 30 June 2021 and 1 July 2021	222	32,327	32,549
Additions	–	3,910	3,910
Termination	–	(13,188)	(13,188)
Currency realignment	–	(380)	(380)
At 30 June 2022	222	22,669	22,891
Accumulated depreciation and impairment loss			
At 1 July 2020	65	10,193	10,258
Depreciation charge for the year	65	12,487	12,552
Termination	–	(5,224)	(5,224)
Impairment loss utilised	–	(25)	(25)
Impairment loss	–	41	41
Currency realignment	–	(62)	(62)
At 30 June 2021 and 1 July 2021	130	17,410	17,540
Depreciation charge for the year	65	10,263	10,328
Termination	–	(13,188)	(13,188)
Impairment loss	–	40	40
Currency realignment	–	(240)	(240)
At 30 June 2022	195	14,285	14,480
Net carrying amount			
At 30 June 2022	27	8,384	8,411
At 30 June 2021	92	14,917	15,009

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

13. RIGHT-OF-USE ASSETS (CONTINUED)

	Leasehold Buildings \$'000
Company	
Cost	
At 1 July 2020	130
Additions	153
Termination	(130)
At 30 June 2021, 1 July 2021 and 30 June 2022	<u>153</u>
Accumulated depreciation and impairment loss	
At 1 July 2020	82
Depreciation charge for the year	76
Termination	(130)
At 30 June 2021 and 1 July 2021	<u>28</u>
Depreciation charge for the year	77
At 30 June 2022	<u>105</u>
Net carrying amount	
At 30 June 2022	<u>48</u>
At 30 June 2021	<u>125</u>

The Group also has certain leases of office equipment and storage warehouses with lease terms of 12 months or less and / or with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The following are the amounts recognised in income statement:

	Group	
	2022	2021
	\$'000	\$'000
Depreciation of right-of-use assets	10,328	12,552
Interest expenses from lease liabilities	376	656
Variable lease payments which do not depend on an index or rate (included in rental expenses)	3,306	2,883
Expense relating to short-term and / or low-value leases (included in rental expenses)	2,818	2,471
Rent concessions (included in rental expenses)	(3,006)	(2,950)
Total amount recognised in income statement	<u>13,822</u>	<u>15,612</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

14. SUBSIDIARIES

	Company	
	2022	2021
	\$'000	\$'000
Investment in subsidiaries:		
Unquoted shares, at cost	73,208	73,208
Accumulated impairment losses	(64,692)	(64,692)
	<u>8,516</u>	<u>8,516</u>
Receivables from subsidiaries:		
Other receivables	142,541	142,031
Accrual for financial undertakings	(487)	(487)
	<u>142,054</u>	<u>141,544</u>
Allowance for doubtful debts	(111,647)	(110,127)
	<u>30,407</u>	<u>31,417</u>
	<u>38,923</u>	<u>39,933</u>
Movement in allowance account:		
At 1 July	110,127	106,035
Allowance for the financial year	1,520	4,092
At 30 June	<u>111,647</u>	<u>110,127</u>

Details of the subsidiaries are set out in Note 4.

Receivables from subsidiaries represent part of net investment are unsecured and non-interest bearing. Settlement of the amounts due are neither planned nor likely to occur in the foreseeable future and they are repayable only when the cash flow of the subsidiaries permit. Accrual for financial undertakings relates to the financial support given to certain subsidiaries.

During the year, the management performed a review on the recoverable amount of the net investment. The recoverable of the net investment was estimated based on value-in-use calculations derived from cash flows projection. Key assumptions include revenue projection, gross profit margin, discount rates and long-term growth rate. The pre-tax discount rate is 9.64% (2021: 9.64%). Based on the assessment, an impairment of \$1,520,000 (2021: \$4,092,000) on the net investment was recorded.

The Company has undertaken not to recall amounts receivable from certain subsidiaries amounting to \$142,541,000 (2021: \$142,031,000) until such time the subsidiaries are in the position to repay the amounts without impairing their respective liquidity positions.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

15. INVESTMENT IN AN ASSOCIATE

	Group	
	2022	2021
	\$'000	\$'000
Cost of investment in an associate	1,172	1,172
Share of post-acquisition reserves	(10,569)	(12,421)
Currency realignment	(1,398)	(1,359)
	<u>(10,795)</u>	<u>(12,608)</u>
Long-term interests, representing part of the Group's net investment in an associate:		
Mandatory convertible bonds, representing investment in an associate	29,862	29,862
Other receivables	1,026	1,026
Less: Accumulated impairment loss	(5,684)	(6,153)
	<u>25,204</u>	<u>24,735</u>
PT Gilang Agung Persada and its subsidiaries	<u>14,409</u>	<u>12,127</u>

The investment in an associate relates to a 50% (2021: 50%) interest in an Indonesia-incorporated company, PT Gilang Agung Persada and its subsidiaries, whose principal activities comprise the distribution of consumer fashion wear, accessories, timepieces, health and wellness products and other sales related activities.

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, \$10.0 million of these bonds were sold to Indonesian investors, PT Saratoga Investama Sedaya Tbk and its co-investors for an aggregate consideration of US\$18.0 million. As at 30 June 2022 and 30 June 2021, the Group 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. During the financial year ended 30 June 2016, the Indonesian associate issued a revision to the terms relating to the interest to be paid on the mandatory convertible bonds, stating that with effect from 1 July 2015, all interest arising shall accrue and accumulate and shall be converted into principal and such principal shall be paid on date of conversion by way of an issuance of the fixed underlying shares of the associate.

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. During the financial year ended 30 June 2022, the parties agreed to extend the conversion date relating to (ii) to 31 January 2023 or such other dates as may be agreed.

Other receivables represent part of net investment are unsecured and non-interest bearing. Settlement of the amounts due are neither planned nor likely to occur in the foreseeable future and they are repayable only when the cash flow of the associate permit.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

15. INVESTMENT IN AN ASSOCIATE (CONTINUED)

Management performed an impairment test to calculate the recoverable amount of the investment in light of the recovering situation of COVID-19 pandemic. The recoverable amount of the investment in an associate was determined based on value-in-use calculations using probability-based cash flow projections approved by management. Key assumptions include revenue projection, gross profit margin, discount rates and long-term growth rate. The pre-tax discount rate is 21.79% (2021: 22.00%). Reversal for impairment loss amounting to \$469,000 (2021: Impairment loss of \$1,241,000) has been recognised in income statement.

The entity is audited by an associated firm of Moore Stephens International Limited.

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

	2022	2021
	\$'000	\$'000
Summarised balance sheet		
Current assets	35,186	40,389
Non-current assets	21,750	16,941
Total assets	<u>56,936</u>	<u>57,330</u>
Current liabilities	44,429	47,449
Non-current liabilities	5,426	6,426
Total liabilities	<u>49,855</u>	<u>53,875</u>
Net assets	<u>7,081</u>	<u>3,455</u>
Less: mandatory convertible bonds	28,671	28,671
Net liabilities of the associated company	<u>(21,590)</u>	<u>(25,216)</u>
Proportion of Group's ownership	50%	50%
Group's share of net liabilities	<u>(10,795)</u>	<u>(12,608)</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

15. INVESTMENT IN AN ASSOCIATE (CONTINUED)

Summarised statement of comprehensive income

	2022	2021
	\$'000	\$'000
Revenue	57,107	48,648
Profit / (loss) after tax	3,734	(4,820)
Other comprehensive income	(30)	(84)
Total comprehensive income	3,704	(4,904)

The activities of PT Gilang Agung Persada and its subsidiaries are strategic to the Group's activities. No dividends were received from PT Gilang Agung Persada and its subsidiaries during the financial years ended 30 June 2022 and 30 June 2021.

16. INVENTORIES

	Group	
	2022	2021
	\$'000	\$'000
Trading stocks:		
On hand	18,111	24,018
On consignment	1,125	1,521
In transit	1,103	913
Total inventories at lower of cost and net realisable value	20,339	26,452
Inventories recognised as an expense in cost of sales	39,797	32,051
Reversal of allowance for inventory obsolescence charged to the income statement, net	(51)	(735)
Inventories written off charged to the income statement	597	204

The reversal of allowance for inventory obsolescence was made when the related inventories were sold above their carrying amounts in 2022 and 2021.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

17. TRADE DEBTORS

	Group	
	2022	2021
	\$'000	\$'000
External trade debtors	1,652	1,850
Trade debts due from associate	8,115	9,456
	<u>9,767</u>	<u>11,306</u>
Less: Allowance for expected credit losses	(108)	(157)
	<u>9,659</u>	<u>11,149</u>

Trade debtors are non-interest bearing and are generally on 60 to 90 days' terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Trade debts due from associate are non-interest bearing and are generally on 60 days' terms.

The movement in allowance for expected credit losses of trade debtors computed based on lifetime ECL are as follows:

	Group	
	2022	2021
	\$'000	\$'000
Movement in allowance accounts:		
At 1 July	157	106
(Reversal) / allowance for the financial year	(3)	51
Allowance utilised	(46)	–
At 30 June	<u>108</u>	<u>157</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

18. OTHER DEBTORS

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Other debtors	2,246	2,090	1	6
Deposits	1,369	1,516	6	6
Loan to related party of associate	5,500	5,500	–	–
Due from subsidiaries	–	–	24,246	19,216
Due from associate	5,943	5,959	6	22
Derivative financial assets	1	1	–	–
	15,059	15,066	24,259	19,250
Less: Allowance for expected credit losses	(3,765)	(4,794)	(19,401)	(19,202)
	11,294	10,272	4,858	48

Other debtors and amounts due from associate are non-trade related, non-interest bearing and unsecured.

The loan to related party of associate is secured by shares in the associate, bears interest at 4.0% per annum and is repayable on 11 August 2016. In the previous year, the loan was extended to 9 June 2022. During the financial year, the repayment date has been extended to earlier of 9 June 2023 or the date of Initial Public Offering of PT Gilang Agung Persada. The loan is to be settled in cash.

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.

Derivative financial assets relate to the fair value change of forward currency contract.

The movement in allowance for expected credit losses of other debtors computed based on lifetime ECL are as follows:

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Movement in allowance accounts:				
At 1 July	4,794	3,293	19,202	19,340
Allowance for the financial year	–	1,547	199	29
Reversal for the financial year	(1,032)	–	–	(167)
Currency realignment	3	(46)	–	–
At 30 June	3,765	4,794	19,401	19,202

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

19. TRADE AND OTHER CREDITORS

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<u>Current:</u>				
Trade creditors	7,342	8,794	–	–
Accruals	3,157	2,647	2,244	715
Provisions	638	697	–	–
Sundry creditors	4,384	8,376	120	195
Contract liabilities (Note 5)	66	77	–	–
Due to subsidiaries	–	–	31	178
Due to associate	11	144	–	–
	<u>15,598</u>	<u>20,735</u>	<u>2,395</u>	<u>1,088</u>
<u>Non-current:</u>				
Due to subsidiaries	–	–	8,450	9,753

Trade creditors and sundry creditors are non-interest bearing and are generally on 60 to 90 days' terms.

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

The amounts due to subsidiaries (non-current) are non-trade related, unsecured, non-interest bearing and have an average repayment term of more than 5 years. These balances are to be settled in cash.

The movement in provision for restoration cost are as follows:

	Group	
	2022 \$'000	2021 \$'000
At 1 July	697	736
Provided during the year	–	32
Utilisation	(43)	(62)
Provision no longer required	(9)	(7)
Currency realignment	(7)	(2)
At 30 June	<u>638</u>	<u>697</u>

Provision for restoration cost is the estimated costs of restoring leasehold premises, retail outlets and warehouse, which are capitalised as part of leasehold improvements and amortised over the remaining leasehold periods.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

20. BORROWINGS

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<u>Current</u>				
Bank overdrafts (Note 26)	1,560	3,021	–	–
Trust receipts and bills payable	7,210	9,877	–	–
Term loans	4,462	5,084	–	–
Bank borrowings	13,232	17,982	–	–
Other borrowings	22	95	19	18
	<u>13,254</u>	<u>18,077</u>	<u>19</u>	<u>18</u>
<u>Non-current</u>				
Bank borrowings – Term loans	3,153	4,599	–	–
Other borrowings	93	115	93	112
	<u>3,246</u>	<u>4,714</u>	<u>93</u>	<u>112</u>
Total	<u>16,500</u>	<u>22,791</u>	<u>112</u>	<u>130</u>

Corporate guarantees are given by the Company amounting to approximately \$31,475,000 (2021: \$48,545,000) for facilities granted to certain subsidiaries and associate.

In the previous financial year, the Group's secured term loan of \$781,000 is secured by second legal mortgage over a personal property of a Director of the Group and personal guarantees from certain Directors of the Group.

Term loans and bank overdrafts

The term loans bear interest at rates that ranged from 3.21% to 7.00% (2021: 2.10% to 7.00%) per annum during the financial year. The bank overdrafts bear interest at rates that ranged from 4.25% to 7.95% (2021: 4.25% to 7.95%) per annum during the financial year.

Trust receipts and bills payable

The trust receipts and bills payable bear interest at rates that ranged from 1.94% to 5.58% (2021: 1.88% to 4.81%) per annum during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

20. BORROWINGS (CONTINUED)

Other borrowings

The other borrowings bear interest at rates that ranged from 2.08% to 4.25% (2021: 2.08% to 4.25%) per annum during the financial year.

The Group's credit facilities are subject to certain terms and conditions, including compliance with debt covenants. Management monitors and assesses its debt covenants for all its loans and borrowings periodically.

A reconciliation of liabilities arising from financing activities is as follows:

	1 July 2021 \$'000	Cash flows \$'000	Non-cash changes			30 June 2022 \$'000
			Acquisition of furniture, fixtures and equipment \$'000	Foreign exchange movement \$'000	Other \$'000	
Term loans	9,683	(2,068)	–	–	–	7,615
Trust receipts and bills payable	9,877	(2,667)	–	–	–	7,210
Other borrowings						
– current	95	(93)	–	(2)	22	22
– non-current	115	–	–	–	(22)	93
Total	19,770	(4,828)	–	(2)	–	14,940

	1 July 2020 \$'000	Cash flows \$'000	Non-cash changes			30 June 2021 \$'000
			Acquisition of furniture, fixtures and equipment \$'000	Foreign exchange movement \$'000	Other \$'000	
Term loans	11,281	(1,598)	–	–	–	9,683
Trust receipts and bills payable	9,766	111	–	–	–	9,877
Other borrowings						
– current	357	(367)	13	(4)	96	95
– non-current	80	–	131	–	(96)	115
Total	21,484	(1,854)	144	(4)	–	19,770

The 'other' column relates to reclassification of non-current portion of other borrowings due to passage of time.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

21. DEFERRED TAXATION

	Group			
	Consolidated balance sheet		Consolidated income statement	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<u>Gross deferred tax liabilities:</u>				
Right-of-use assets	(1,038)	(1,991)	921	202
Accelerated capital allowances	(22)	(70)	46	80
	<u>(1,060)</u>	<u>(2,061)</u>		
<u>Gross deferred tax assets:</u>				
Lease liabilities	1,134	2,111	(941)	(148)
Provisions	333	319	22	(141)
	<u>1,467</u>	<u>2,430</u>	<u>48</u>	<u>(7)</u>
<u>Reflected in balance sheet as follows:</u>				
Deferred tax assets	<u>407</u>	<u>369</u>		

Unrecognised temporary differences relating to investments in subsidiaries and associate

At the end of the reporting period, no deferred tax liability (2021: nil) has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's investments as:

- the Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future; and
- the Group's investment in an 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 \$6,191,000 (2021: \$6,068,000). The deferred tax liability is estimated to be \$619,000 (2021: \$607,000).

NOTES TO THE FINANCIAL STATEMENTS

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22. LEASE LIABILITIES

The table below sets out the carrying amount of lease liabilities and the movements during the year:

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
As at 1 July	15,843	20,335	149	48
Additions	3,910	7,891	–	153
Accretion of interest	376	656	2	1
Payments	(11,061)	(12,975)	(90)	(53)
Termination	–	(3)	–	–
Currency realignment	(151)	(61)	–	–
As at 30 June	8,917	15,843	61	149
Current	5,727	10,351	61	89
Non-current	3,190	5,492	–	60
	8,917	15,843	61	149

23. SHARE CAPITAL

	Group and Company			
	2022	2022	2021	2021
	No. of		No. of	
	shares		shares	
	'000	\$'000	'000	\$'000
<u>Ordinary shares issued and fully paid</u>				
At 1 July	1,067,314	183,229	909,936	176,955
Issuance of shares from exercise of warrants	–	–	157,378	6,295
Issuance of shares from placement	120,000	3,000	–	–
Share issuance expenses	–	(59)	–	(21)
At 30 June	1,187,314	186,170	1,067,314	183,229

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.

On 5 April 2018 and 6 April 2018, the Company allotted and issued 341,225,914 new ordinary shares at \$0.035 per new share and 682,451,828 free detachable warrants to its shareholders. Each warrant carries the right to subscribe one new ordinary share in the capital of the Company at an exercise price of \$0.04 per warrant for each new share. During the financial year ended 30 June 2021, 157,378,132 new shares were issued upon exercise of 157,378,132 warrants. The newly issued shares ranked *pari passu* in all respects with the previously issued shares. The balance outstanding warrants had expired on 5 April 2021.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

23. SHARE CAPITAL (CONTINUED)

On 4 February 2022, the Company allotted and issued 120,000,000 new ordinary shares at \$0.025 per share to Western Properties Pte Ltd pursuant to a placement exercise.

24. 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.

25. OTHER RESERVES

Other reserves comprise share of movements in the net defined benefits plan liabilities of associate resulting from re-measurements at each year end.

26. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash on hand and at bank	9,083	8,382	808	1,446
Fixed deposits with licensed banks	3,427	3,772	3,320	3,000
	<u>12,510</u>	<u>12,154</u>	<u>4,128</u>	<u>4,446</u>

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

Fixed deposits with licensed banks must be maintained at all times with banks for term loan and bank guarantees and hence, are not available for general use.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

26. CASH AND CASH EQUIVALENTS (CONTINUED)

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

	Group	
	2022	2021
	\$'000	\$'000
Cash on hand and at bank	9,083	8,382
Fixed deposits with licensed banks	3,427	3,772
Bank overdrafts (Note 20)	(1,560)	(3,021)
	<u>10,950</u>	<u>9,133</u>

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(a) 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 debtors 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.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments and when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payments.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the debtor
- A breach of contract, such as a default of past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

The Group categorises a loan or receivable for potential write-off when the receivable remains uncollectable after all reasonable collection efforts have been exhausted. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

A summary of the Group's basis for recognition of the Group's expected credit loss ("ECL") for trade and other debtors is as follows:

<u>Assets classifications</u>	<u>Basis for recognition of expected credit loss provision</u>
Trade debtors	Lifetime ECL (simplified approach)
Other debtors	12-month ECL
Other debtors (Due from associate and related party of associate)	Lifetime ECL

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

Trade debtors

The Group provides for lifetime expected credit losses for trade debtors using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region. The loss allowance provision as at year end is determined as follows, the expected credit losses below also incorporate forward-looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

Summarised below is the information about the credit risk exposure on the Group's trade debtors using the provision matrix:

	Current \$'000	Less than 30 days past due \$'000	More than 30 days past due \$'000	More than 60 days past due \$'000	More than 90 days past due \$'000	Total \$'000
2022						
Gross carrying amount	1,623	204	4	16	7,920	9,767
Loss allowance provision	–	–	–	–	(108)	(108)
	<u>1,623</u>	<u>204</u>	<u>4</u>	<u>16</u>	<u>7,812</u>	<u>9,659</u>
	Current \$'000	Less than 30 days past due \$'000	More than 30 days past due \$'000	More than 60 days past due \$'000	More than 90 days past due \$'000	Total \$'000
2021						
Gross carrying amount	1,682	664	21	–	8,939	11,306
Loss allowance provision	–	–	(1)	–	(156)	(157)
	<u>1,682</u>	<u>664</u>	<u>20</u>	<u>–</u>	<u>8,783</u>	<u>11,149</u>

Information regarding loss allowance movement of trade debtors are disclosed in Note 17 (Trade debtors).

Other debtors

The Company assessed the latest performance and financial position of other debtors, adjusted for the future outlook of the industry in which the counterparties operate in. Accordingly, the Company measured the impairment loss allowance using general approach of ECL. Information regarding loss allowance movement of other debtors are disclosed in Note 18 (Other debtors).

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

Exposure to credit risk

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, and
- \$31,475,000 (2021: \$48,545,000) relating to corporate guarantees provided by the Company to banks on banking facilities granted to certain subsidiaries and associate.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

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.

Credit risk concentration profile

The Group has (i) approximately 84% (2021: 85%) of the trade debts due from an associate in Indonesia and (ii) approximately 13% (2021: 10%) of the financial assets due from a related party of an associate in Indonesia.

Financial assets that are neither past due nor impaired

Trade and other debtors that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash on hand and at bank and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 17 (Trade debtors) and Note 18 (Other debtors).

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) 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 profit / (loss) before tax by the amounts shown below.

	Basis points		Group Decrease in profit before tax 2022 \$'000	Increase in loss before tax 2021 \$'000
	2022	2021		
Singapore dollar borrowings	75	75	(65)	(92)
Malaysian dollar borrowings	75	75	(22)	(45)

(c) 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

	1 year or less \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
Group				
2022				
Financial assets:				
Trade debtors	9,659	–	–	9,659
Other debtors	11,293	–	–	11,293
Derivative financial assets	1	–	–	1
Cash on hand and at bank	12,510	–	–	12,510
Total undiscounted financial assets	33,463	–	–	33,463
Financial liabilities:				
Trade and other creditors	14,894	–	–	14,894
Borrowings	13,852	3,416	–	17,268
Lease liabilities	5,884	3,278	–	9,162
Total undiscounted financial liabilities	34,630	6,694	–	41,324
Total net undiscounted financial liabilities	(1,167)	(6,694)	–	(7,861)
2021				
Financial assets:				
Trade debtors	11,149	–	–	11,149
Other debtors	10,271	–	–	10,271
Derivative financial assets	1	–	–	1
Cash on hand and at bank	12,154	–	–	12,154
Total undiscounted financial assets	33,575	–	–	33,575
Financial liabilities:				
Trade and other creditors	19,961	–	–	19,961
Borrowings	18,842	4,905	31	23,778
Lease liabilities	10,646	5,649	–	16,295
Total undiscounted financial liabilities	49,449	10,554	31	60,034
Total net undiscounted financial liabilities	(15,874)	(10,554)	(31)	(26,459)

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

	1 year or less \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
Company				
2022				
Financial assets:				
Receivables from subsidiaries	–	–	30,894	30,894
Other debtors	4,858	–	–	4,858
Cash on hand and at bank	4,128	–	–	4,128
Total undiscounted financial assets	8,986	–	30,894	39,880
Financial liabilities:				
Trade and other creditors	2,395	–	8,450	10,845
Borrowings	23	102	–	125
Lease liabilities	62	–	–	62
Total undiscounted financial liabilities	2,480	102	8,450	11,032
Total net undiscounted financial assets / (liabilities)	6,506	(102)	22,444	28,848
2021				
Financial assets:				
Receivables from subsidiaries	–	–	31,904	31,904
Other debtors	48	–	–	48
Cash on hand and at bank	4,446	–	–	4,446
Total undiscounted financial assets	4,494	–	31,904	36,398
Financial liabilities:				
Trade and other creditors	1,088	–	9,753	10,841
Borrowings	23	93	31	147
Lease liabilities	91	62	–	153
Total undiscounted financial liabilities	1,202	155	9,784	11,141
Total net undiscounted financial assets / (liabilities)	3,292	(155)	22,120	25,257

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

	1 year or less \$'000
<hr/>	
Company	
2022	
Financial guarantee	487
2021	
Financial guarantee	487

(d) Foreign currency 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 significant foreign currencies balances at the end of the reporting period.

	USD \$'000	EURO \$'000	GBP \$'000
<hr/>			
Group			
2022			
Trade and other debtors	177	69	27
Trade and other creditors	(6,004)	(311)	(549)
Net borrowings	(3,479)	(659)	(723)
2021			
Trade and other debtors	203	78	–
Trade and other creditors	(7,180)	(383)	(1,082)
Net borrowings	(1,615)	(1,005)	(1,827)

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Foreign currency risk (continued)

	HKD \$'000	SFR \$'000	RM \$'000
Company			
2022			
Receivables from subsidiaries	–	–	627
Other debtors	6,274	–	1,941
Other creditors	–	(6,593)	–
2021			
Receivables from subsidiaries	–	–	–
Other debtors	6,125	–	44
Other creditors	–	(6,598)	–

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.

	2022	2021
	Profit before tax decrease \$'000	Loss before tax increase \$'000
Changes	Changes	Changes
USD	+5% (465)	+5% (430)
EURO	+5% (45)	+5% (66)
GBP	+5% (62)	+5% (145)

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

28. FINANCIAL INSTRUMENTS

Carrying value of assets and liabilities

The carrying amounts of financial assets and liabilities are as follows:

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Financial assets measured at amortised cost				
Receivables from subsidiaries	–	–	30,894	31,904
Trade debtors	9,659	11,149	–	–
Other debtors	11,293	10,271	4,858	48
Cash on hand and at bank	12,510	12,154	4,128	4,446
	<u>33,462</u>	<u>33,574</u>	<u>39,880</u>	<u>36,398</u>
Financial asset carried at fair value through profit or loss				
Derivative financial assets	<u>1</u>	<u>1</u>		
Financial liabilities measured at amortised cost				
Trade and other creditors	14,894	19,961	10,845	10,841
Borrowings	16,500	22,791	112	130
	<u>31,394</u>	<u>42,752</u>	<u>10,957</u>	<u>10,971</u>

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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

28. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of assets and liabilities (continued)

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 2022			Total \$'000
	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	
Financial assets carried at fair value through profit or loss				
Derivative financial assets	–	1	–	1
Financial assets as at 30 June 2022	–	1	–	1

	Group 2021			Total \$'000
	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	
Financial assets carried at fair value through profit or loss				
Derivative financial assets	–	1	–	1
Financial assets as at 30 June 2021	–	1	–	1

There have been no transfers between Level 1 and Level 2 during the financial years ended 2022 and 2021.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

28. FINANCIAL INSTRUMENTS (CONTINUED)

C. Level 2 fair value measurements

Derivative financial assets / 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 all current financial assets, financial liabilities and borrowings reasonably approximate their fair values because these are either short term in nature or are repriced frequently.

29. 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, timepieces, beauty and health and wellness products.
- ii. The Distribution segment is involved in the distribution of consumer fashion wear, accessories, home furnishings, timepieces, beauty and health and wellness products.
- iii. The Export segment is involved in the export of consumer fashion wear, accessories, timepieces and health and wellness products.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

29. SEGMENT INFORMATION (CONTINUED)

Business segments

	Ongoing Retail \$'000	Distribution \$'000	Export \$'000	Corporate and Others \$'000	Group \$'000
2022					
Sales to external consumers	69,486	4,574	6,843	–	80,903
Segment results	3,463	400	614	(1,368)	3,109
Interest income					9
Interest expenses from borrowings					(723)
Interest expenses from lease liabilities					(376)
Share of results of associate, net of tax					1,867
Profit before tax					3,886
Income tax expenses					(954)
Net profit for the year					2,932
2021					
Sales to external consumers	57,169	5,186	4,484	–	66,839
Segment results	(1,880)	351	546	(5,707)	(6,690)
Interest income					13
Interest expenses from borrowings					(868)
Interest expenses from lease liabilities					(656)
Share of results of associate, net of tax					(2,410)
Loss before tax					(10,611)
Income tax expenses					(260)
Net loss for the year					(10,871)

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

29. SEGMENT INFORMATION (CONTINUED)

	Ongoing Retail \$'000	Distribution \$'000	Export \$'000	Corporate and Others \$'000	Group \$'000
2022					
Segment assets	43,612	2,779	3,457	9,642	59,490
Investment in an associate	–	–	–	14,409	14,409
	<u>43,612</u>	<u>2,779</u>	<u>3,457</u>	<u>24,051</u>	<u>73,899</u>
Unallocated assets					5,920
Total assets					<u>79,819</u>
Segment liabilities	<u>21,628</u>	<u>1,689</u>	<u>1,627</u>	<u>1,246</u>	26,190
Unallocated liabilities					15,119
Total liabilities					<u>41,309</u>
Capital expenditure	20	–	–	46	66
Depreciation of furniture, fixtures and equipment	1,665	96	–	78	1,839
Depreciation of right-of-use assets	10,001	129	121	77	10,328
Impairment of furniture, fixtures and equipment and right-of-use assets	40	–	–	–	40
Reversal of impairment loss on investment in an associate	–	–	–	(469)	(469)

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

29. SEGMENT INFORMATION (CONTINUED)

	Ongoing Retail \$'000	Distribution \$'000	Export \$'000	Corporate and Others \$'000	Group \$'000
2021					
Segment assets	57,250	4,426	2,808	9,650	74,134
Investment in an associate	–	–	–	12,127	12,127
	57,250	4,426	2,808	21,777	86,261
Unallocated assets					6,374
Total assets					92,635
Segment liabilities	33,761	2,286	1,384	2,378	39,809
Unallocated liabilities					19,560
Total liabilities					59,369
Capital expenditure	339	1	–	317	657
Depreciation of furniture, fixtures and equipment	1,974	164	–	131	2,269
Depreciation of right-of-use assets	12,153	191	132	76	12,552
Impairment of furniture, fixtures and equipment and right-of-use assets	206	–	–	–	206
Impairment loss on investment in an associate	–	–	–	1,241	1,241

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

29. SEGMENT INFORMATION (CONTINUED)

Business segments (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.

	2022 \$'000	2021 \$'000
Unallocated assets		
Other debtors	5,500	5,500
Deferred tax assets	407	369
Tax recoverable	13	505
	<u>5,920</u>	<u>6,374</u>
Unallocated liabilities		
Bank borrowings (excluding bank overdrafts)	14,825	19,560
Provision for taxation	294	–
	<u>15,119</u>	<u>19,560</u>

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	Other \$'000	Group \$'000
2022			
Turnover	<u>80,751</u>	152	<u>80,903</u>
Other geographical information:			
Non-current assets	25,451	1	25,452
Capital expenditure	<u>64</u>	<u>2</u>	<u>66</u>
2021			
Turnover	<u>66,839</u>	–	<u>66,839</u>
Other geographical information:			
Non-current assets	31,748	1	31,749
Capital expenditure	<u>657</u>	<u>–</u>	<u>657</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

30. 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.

The accrual for financial undertaking is disclosed in Note 14.

31. COMMITMENTS

- (i) As at 30 June 2022, the Group has entered into several licensing and distribution agreements with its principals. These agreements stipulate certain levels of purchases and advertising expenditure in accordance with the agreed terms and conditions.
- (ii) As at 30 June 2022, the Group has outstanding forward contracts with settlement dates within the next one year of USD 45,000 (2021: USD 96,000).
- (iii) The Group has various lease contracts that have not yet commenced as at 30 June 2022. The future lease payments for these non-cancellable lease contracts are \$278,000 not later than one year and \$918,000 later than one year but not later than five years.

32. RELATED PARTY TRANSACTIONS DISCLOSURE

In addition to related party 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:

	2022	2021
	\$'000	\$'000
Sale of goods to associate	6,257	4,173
Market support and administrative service income from associate	265	450
Directors' fees		
– Directors of the Company	205	205
Remuneration of key management personnel comprising short-term employee benefits:		
– Directors of the Company	910	965
– Other Directors of subsidiaries	679	649
– Non Directors	200	190
	<u>1,789</u>	<u>1,804</u>

Provident fund contributions of \$70,000 (2021: \$69,000) are included in remuneration of key management personnel.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

33. 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 2022 and 30 June 2021.

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 owners of the Company while return on equity is computed as net profit attributable to owners of the Company for the financial year divided by the total equity attributable to owners of the Company. Net debt is calculated as borrowings less cash on hand and at bank.

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

	Group	
	2022	2021
	\$'000	\$'000
Borrowings	16,500	22,791
Less: cash on hand and at bank	(12,510)	(12,154)
Net debt	<u>3,990</u>	<u>10,637</u>
Equity attributable to equity holders of the parent	38,529	33,266
Net profit / (loss) attributable to equity holders of the parent for the financial year	2,975	(10,871)
Gearing ratio	10.4%	32.0%
Return on equity	<u>7.7%</u>	<u>(32.7%)</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

34. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 5 July 2022, the Company's wholly-owned subsidiary, F.J.B. Investment Pte Ltd, incorporated a 20% owned associate company in Singapore, RegalRare GEM Museum Pte. Ltd. ("RegalRare"), with an issued and paid-up share capital of \$300,000, comprising 300,000 shares. The balance 80% shareholding interest in RegalRare is held by three other unrelated third parties. The principal activities of RegalRare are operating, owning and management of museum bearing the name RegalRare GEM Museum. The incorporation of RegalRare was funded by internal resources of the Group.

35. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 30 June 2022 were authorised for issue in accordance with a resolution of the Directors dated 28 September 2022.

STATISTICS OF SHAREHOLDINGS

As at 16 September 2022

Number of Equity Securities	:	1,187,313,903
Number of Treasury Shares	:	Nil
Subsidiary Holdings	:	Nil
Class of Equity Shares	:	Ordinary shares
Voting Rights	:	One vote per share (excluding treasury shares and subsidiary holdings)

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	46	1.04	1,500	0.00
100 – 1,000	698	15.82	673,902	0.06
1,001 – 10,000	1,705	38.66	8,839,410	0.74
10,001 – 1,000,000	1,889	42.82	220,782,156	18.60
1,000,001 AND ABOVE	73	1.66	957,016,935	80.60
TOTAL	4,411	100.00	1,187,313,903	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1.	DBS NOMINEES (PRIVATE) LIMITED	235,141,530	19.80
2.	WESTERN PROPERTIES PTE LTD	198,540,000	16.72
3.	LIM ENG HOCK	109,024,320	9.18
4.	RAFFLES INVESTMENTS PRIVATE LIMITED	99,648,000	8.39
5.	BENJAMIN ELI MANASSEH	31,710,050	2.67
6.	IFAST FINANCIAL PTE. LTD.	28,158,900	2.37
7.	PHILLIP SECURITIES PTE LTD	20,728,935	1.75
8.	UOB KAY HIAN PRIVATE LIMITED	20,410,000	1.72
9.	LIM YEW HOE	19,313,700	1.63
10.	LIM & TAN SECURITIES PTE LTD	13,668,100	1.15
11.	HSBC (SINGAPORE) NOMINEES PTE LTD	11,576,000	0.97
12.	CITIBANK NOMINEES SINGAPORE PTE LTD	9,035,800	0.76
13.	QIU YU	8,500,000	0.72
14.	DB NOMINEES (SINGAPORE) PTE LTD	6,729,000	0.57
15.	KGI SECURITIES (SINGAPORE) PTE. LTD	6,525,000	0.55
16.	LIM CHIN HOCK	6,300,000	0.53
17.	LIM CHIN TONG	5,999,000	0.51
18.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	5,495,100	0.46
19.	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	5,324,200	0.45
20.	TIGER BROKERS (SINGAPORE) PTE. LTD.	4,736,200	0.40
	TOTAL	846,563,835	71.30

STATISTICS OF SHAREHOLDINGS

As at 16 September 2022

SUBSTANTIAL SHAREHOLDERS AS RECORDED IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

	DIRECT INTEREST	%	DEEMED INTEREST	%
1. Segulah Pte Ltd	218,367,670	18.39	–	–
2. Western Properties Pte Ltd	198,540,000	16.72	–	–
3. Lim Eng Hock	109,024,320	9.18	–	–
4. Raffles Investments Private Limited	99,648,000	8.39	–	–
5. Vistra Trust (Singapore) Pte. Limited [@]	–	–	218,367,670	18.39
6. Tan Chin Tuan Pte. Ltd. #	–	–	99,648,000	8.39
7. Aequitas Pte Ltd #	–	–	99,648,000	8.39
8. Tecity Pte Ltd #	–	–	99,648,000	8.39
9. Dr Tan Kheng Lian #	–	–	99,648,000	8.39
10. Ng Chee Tat Philip [^]	–	–	199,520,000	16.80

[@] Vistra Trust (Singapore) Pte. Limited is the trustee of Frank And Mavis Benjamin Trust (the "Trust"). Segulah Pte Ltd is the investment holding vehicle of the Trust holding the 218,367,670 shares in the Company.

[#] Tan Chin Tuan Pte. Ltd., Aequitas Pte Ltd, Tecity Pte Ltd and Dr Tan Kheng Lian are deemed to be interested in the 99,648,000 shares in the Company held by Raffles Investments Private Limited.

[^] Ng Chee Tat Philip has a deemed interest in an aggregate of 199,520,000 shares in the Company as follows:

- (a) Goodview Properties Pte Ltd has a direct interest in the 980,000 shares in the Company. The Estate of Ng Teng Fong (the "Estate") has a controlling interest in Far East Organization Centre Pte. Ltd., which in turn has a controlling interest in Goodview Properties Pte Ltd. Mr Ng Chee Tat Philip is a beneficiary of the Estate and is therefore deemed to be interested in the 980,000 shares in the Company in which Goodview Properties Pte Ltd has an interest.
- (b) Western Properties Pte Ltd has a direct interest in the 198,540,000 shares in the Company. Mr Ng Chee Tat Philip has a controlling interest in Western Properties Pte Ltd and is therefore deemed to be interested in the 198,540,000 shares in the Company in which Western Properties Pte Ltd has an interest.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

Based on the information available to the Company, as at 16 September 2022, approximately 44.53% 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 – Section B: Rules of the Catalist which states that an issuer must ensure that at least 10% of its ordinary shares is at all times held by the public.

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 Function Room Antica I & II, Orchard Rendezvous Hotel, 1 Tanglin Road, Singapore 247905 on Thursday, 27 October 2022 at 11.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2022, together with the Independent Auditor’s Report thereon. **(Resolution 1)**
2. To re-elect the following Directors of the Company who will be retiring in accordance with Article 102 of the Company’s Constitution and who, being eligible, offer themselves for re-election as Directors of the Company:
 - (i) Mr Frank Benjamin **(Resolution 2)**
 - (ii) Mr Ng Hin Lee **(Resolution 3)**

[See Explanatory Notes below]
3. To approve the payment of Directors’ fees of up to S\$200,000 for the financial year ending 30 June 2023 (FY2022: up to S\$205,000). **(Resolution 4)**
4. To re-appoint Messrs Ernst & Young LLP as the Independent Auditor of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**
5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

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

6. Authority to allot and issue shares

That pursuant to Section 161 of the Companies Act 1967 of Singapore (“**Companies Act**”) and Rule 806 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”), the Directors of the Company be authorised to:

- (a) (i) allot and issue shares in the capital of the Company (“**Shares**”) whether by way of bonus issue, rights issue or otherwise; and/or

NOTICE OF ANNUAL GENERAL MEETING

- (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 does not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below) (“**Issued Shares**”), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to the existing shareholders of the Company (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) does not exceed 50% of the total number of Issued Shares;
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued pursuant to the Instruments) that may be issued under sub-paragraph (1) above, the percentage of Issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;
 - (b) (where applicable) new Shares arising from exercising of share options or vesting of share awards, provided that such share options or share awards (as the case may be), were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares,

adjustments in accordance with sub-paragraph 2(a) or 2(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

NOTICE OF ANNUAL GENERAL MEETING

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Constitution for the time being of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force (i) 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; or (ii) in the case of Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such Shares in accordance with the terms of the Instruments.

[See Explanatory Notes below]

(Resolution 6)

7. To approve the continued appointment of Mr Ng Hin Lee as an Independent Director of the Company for the purpose of Rule 406(3)(d)(iii)(A) of the Catalist Rules by shareholders of the Company

That, subject to and contingent upon the passing of Resolution 3 by shareholders of the Company and the passing of Resolution 8 by shareholders of the Company, excluding the Directors and the Chief Executive Officer (“**CEO**”) of the Company, and their respective associates (as defined in the Catalist Rules):

- (a) the continued appointment of Mr Ng Hin Lee as an Independent Director of the Company, for the purpose of Rule 406(3)(d)(iii)(A) of the Catalist Rules be and is hereby approved; and
- (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Ng Hin Lee as Director of the Company; or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution.

[See Explanatory Notes below]

(Resolution 7)

8. To approve the continued appointment of Mr Ng Hin Lee as an Independent Director of the Company for the purpose of Rule 406(3)(d)(iii)(B) of the Catalist Rules by shareholders of the Company, excluding the Directors and CEO of the Company, and their respective associates (as defined in the Catalist Rules)

That, subject to and contingent upon the passing of Resolutions 3 and 7 by shareholders of the Company and the passing of this Resolution by shareholders of the Company, excluding the Directors and the CEO of the Company, and their respective associates (as defined in the Catalist Rules):

- (a) the continued appointment of Mr Ng Hin Lee as an Independent Director of the Company, for the purpose of Rule 406(3)(d)(iii)(B) of the Catalist Rules be and is hereby approved; and

NOTICE OF ANNUAL GENERAL MEETING

- (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Ng Hin Lee as Director of the Company; or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution.

[See Explanatory Notes below]

(Resolution 8)

Mr Ng Hin Lee would have served as an Independent Director of the Company for an aggregate period of more than nine years from 11 July 2023 (since the date of his first appointment on 11 July 2014), and would not be considered independent unless his continued appointment as an Independent Director of the Company has been sought and approved by a Two-Tier Voting Process (as defined in the section entitled “Corporate Governance Report” of the Company’s Annual Report 2022) prior to 11 July 2023 pursuant to Rule 406(3)(d)(iii) of the Catalist Rules.

Accordingly, Mr Ng Hin Lee will, upon the passing of Resolutions 7 and 8, remain as the Lead Independent Director of the Company, Chairman of the Audit Committee and a member of the Remuneration Committee of the Company, and will be considered independent by the Board of Directors of the Company (“**Board**”) for the purpose of Rule 704(7) of the Catalist Rules with effect from 11 July 2023.

If only Resolution 7 is passed but Resolution 8 is not passed or both Resolutions 7 and 8 are not passed, Mr Ng Hin Lee (appointed as Director of the Company on 11 July 2014) shall continue to be designated as an Independent Director up to and including 10 July 2023 and shall thereafter be re-designated as a Non-Independent Non-Executive Director (“**NINED**”) with effect from 11 July 2023. In the event of the re-designation arising from the above which resulted in the Independent Directors comprising less than one-third of the Board pursuant to Rule 406(3)(c) of the Catalist Rules, the Company shall endeavour to fill the vacancy within two months, but in any case not later than three months from the date the Independent Director, Mr Ng Hin Lee, be re-designated as NINED for the purpose of compliance with Rule 406(3)(c) of the Catalist Rules.

By Order of the Board

Karen Chong Mee Keng
Company Secretary
Singapore, 12 October 2022

Explanatory Notes:

Ordinary Resolution 2 in item 2 above is to re-elect Mr Frank Benjamin who will be retiring pursuant to Article 102 of the Constitution of the Company. Mr Frank Benjamin will, upon re-election as a Director of the Company, remain as the Non-Executive Chairman of the Company and a member of the Nominating Committee of the Company.

NOTICE OF ANNUAL GENERAL MEETING

Ordinary Resolution 3 in item 2 above is to re-elect Mr Ng Hin Lee who will be retiring pursuant to Article 102 of the Constitution of the Company. Mr Ng Hin Lee will, upon re-election as a Director of the Company, remain as the Lead Independent Director of the Company, Chairman of the Audit Committee and a member of the Remuneration Committee of the Company. The Board considers Mr Ng Hin Lee to be independent for the purpose of Rule 704(7) of the Catalist Rules.

Ordinary Resolution 6 in item 6 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting (“**AGM**” or the “**Meeting**”) of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 50% may be issued other than on a *pro-rata* basis to shareholders of the Company.

For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) 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 were issued and outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

Ordinary Resolutions 7 and 8 in items 7 and 8 above respectively are to seek for approval from the shareholders of the Company via a Two-Tier Voting Process (as defined in the section entitled “Corporate Governance Report” of the Company’s Annual Report 2022) under Rule 406(3)(d)(iii) of the Catalist Rules for Mr Ng Hin Lee, who would have served as an Independent Director for an aggregate period of more than nine years from 11 July 2023, to continue in office as an Independent Director of the Company for a three-year term, with effect from the passing of these Resolutions at the AGM until the conclusion of the third AGM of the Company following the passing of these Resolutions.

The Board seeks to strike an appropriate balance between tenure of service, continuity of experience and refreshment of the Board. Such refreshment process of the Board will take some time and cannot happen overnight in order to maintain stability to the Board. Furthermore, the Company benefits from such Director who has, over time, gained valuable insights into the Group, its market and the industry. The Board considers Mr Ng Hin Lee to be independent for the purpose of Rule 704(7) of the Catalist Rules.

The Nominating Committee and the Board have determined that Mr Ng Hin Lee remains objective and independent minded in Board deliberations. His vast experience enables him to provide the Board and the various Board Committees on which he serves, with pertinent experience and competence to facilitate sound decision-making and that his length of service does not in any way interfere with his exercise of independent judgment nor hinder his ability to act in the best interests of the Company. In addition, Mr Ng Hin Lee fulfils the definition of an “independent director” in accordance with the Catalist Rules and Code of Corporate Governance 2018. More importantly, the Board is confident that Mr Ng Hin Lee is capable to continue to discharge his duties independently with integrity and competency.

NOTICE OF ANNUAL GENERAL MEETING

Please refer to sections entitled “Board of Directors”, “Directors’ Statement” and “Information on Directors seeking Re-election” in the Company’s Annual Report 2022 for the detailed information on Mr Frank Benjamin and Mr Ng Hin Lee.

Notes:

1. The AGM will be held, in a wholly physical format, at Function Room Antica I & II, Orchard Rendezvous Hotel, 1 Tanglin Road, Singapore 247905 on Thursday, 27 October 2022 at 11.00 a.m., pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **There will be no option for shareholders to participate virtually. Shareholders may participate in the AGM by:**
 - a) **attending the AGM in person;**
 - b) **voting at the AGM (i) themselves; or (ii) through their duly appointed proxy(ies); and/or**
 - c) **submitting questions in advance of, or at, the AGM,****details as set out in the paragraphs below.**
2. Printed copies of the Notice of AGM and the instrument appointing a proxy or proxies (“**Proxy Form**”) will be sent by post to shareholders of the Company. A printed copy of the Company’s Annual Report 2022 will **NOT** be sent to shareholders. These documents are available to access and download from the Company’s corporate website at the URL <http://www.fjbenjamin.com/investors-relations.php> and SGX’s website at the URL <https://www.sgx.com/securities/company-announcements>.
3. **Voting, or Submission of Proxy Form to Vote, at the AGM:**
 - a) A member who is not a relevant intermediary is entitled to attend and appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the Proxy Form.
 - b) A member who is a relevant intermediary is entitled to attend and appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

“**Relevant intermediary**” has the meaning ascribed to it in Section 181 of the Companies Act.

NOTICE OF ANNUAL GENERAL MEETING

- c) A member (whether individual or corporate) who wishes to exercise their votes can either vote on the resolutions to be tabled for approval at the AGM in person or appointing proxy(ies) or the Chairman of the Meeting as proxy to cast votes on his/her/its behalf. In appointing the Chairman of the Meeting as proxy, a member of the Company must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
- d) A proxy need not be a member of the Company.
- e) A member who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it in the following manner:
 - i) by post to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - ii) by scanning and sending it via email to AGM.TeamE@boardroomlimited.com,

as soon as possible, in either case, at least forty-eight (48) hours before the time fixed for the AGM i.e. **no later than 11.00 a.m. on 25 October 2022.**

The Proxy Form, Notice of AGM and Annual Report 2022 are available for download from the Company's corporate website at the URL <http://www.fjbenjamin.com/investors-relations.php> and SGX's website at the URL <https://www.sgx.com/securities/company-announcements>.

Members are strongly encouraged to submit completed Proxy Forms electronically via email.

- f) Completion and return of the Proxy Form shall not preclude a member from attending, speaking and voting at the AGM if he/she so wishes. Any appointment of the proxy(ies) for the AGM shall be deemed to be revoked if the member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the AGM.
- g) Relevant Intermediary shareholders, Central Provident Fund ("CPF") members and/or Supplementary Retirement Scheme ("SRS") investors who wish to vote at the AGM should approach their respective Relevant Intermediaries, CPF Agent Banks and/or SRS Operators as soon as possible. In the case of CPF and SRS investors, they must do so **by 11.00 a.m. on 17 October 2022.**
- h) A depositor shall not be regarded as a member of the Company entitled to attend, speak and vote at the AGM unless his/her name appears on the Depository Register not less than seventy-two (72) hours before the time fixed for the AGM.

NOTICE OF ANNUAL GENERAL MEETING

4. Submission of Questions:

- a) Members can submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, at the AGM itself.
- b) Members can also submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM **by 9.00 a.m. on 20 October 2022** (the “**Cut-Off Time**”) in the following manner:
 - i) by post to the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - ii) via email to AGM.TeamE@boardroomlimited.com.
- c) Members who submit questions in advance of the AGM should provide their full name, address, contact number, email, shareholding type and number of Shares and the manner of which they hold such Shares for verification purposes.
- d) The Company will endeavour to address all substantial and relevant questions related to the resolutions to be tabled for approval at the AGM received from shareholders before or at the AGM. Responses to substantial and relevant questions received from shareholders by the Cut-Off Time will be posted on the SGXNet and the Company’s corporate website **by 11.00 a.m. on 23 October 2022**, being at least forty-eight (48) hours prior to the closing date and time for the lodgement of the Proxy Form. The Company will address any subsequent clarifications sought, or substantial and relevant follow-up questions (which are related to the resolutions to be tabled for approval at the AGM) received after the Cut-Off Time which have not already been addressed prior to the AGM, as well as those substantial and relevant questions received at the AGM, at the AGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.
- e) The Company will, within one (1) month after the date of the AGM, publish the minutes of the AGM on SGXNet and the Company’s corporate website, and the minutes will include the responses to substantial and relevant questions received from shareholders which are addressed during the AGM.

NOTICE OF ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY:

By submitting a proxy form appointing the Chairman of the Meeting as proxy to attend, speak and vote at the 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 the appointment of the Chairman of the Meeting as proxy for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 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.

Photographic, sound and/or video recordings of the Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the Meeting. Accordingly, the personal data of a member of the Company (such as his name, his presence at the Meeting and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

IMPORTANT NOTICE FROM THE COMPANY PERTAINING TO THE COVID-19 SITUATION

In view of the current COVID-19 situation, shareholders should note that the manner of conduct of the Meeting may be subject to further changes at short notice. The Company may take any precautionary measures which may be required or recommended by the government agencies to minimise the risk of spread of COVID-19 for conducts of meetings. Shareholders are advised to check SGXNet and the Company's corporate website regularly for updates.

*This notice has been prepared by F J Benjamin Holdings Ltd (the "**Company**") and its contents have been reviewed by the Company's sponsor (the "**Sponsor**"), ZICO Capital Pte. Ltd., in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice including the correctness of any of the statements or opinions made or reports contained in this notice.

The contact person for the Sponsor is Ms Goh Mei Xian, Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Frank Benjamin (“**Mr Benjamin**”) and Mr Ng Hin Lee (“**Mr Ng**”) are the retiring Directors (“**Retiring Directors**”) of F J Benjamin Holdings Ltd (the “**Company**”) seeking re-election at the forthcoming annual general meeting of the Company on 27 October 2022.

Pursuant to Rule 720(5) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”), the information relating to the Retiring Directors, as set out in Appendix 7F of the Catalist Rules is as follows:

Name of Retiring Director	: Mr Frank Benjamin	Mr Ng Hin Lee
Date of Appointment	: 15 June 1973	11 July 2014
Age	: 88	66
Country of Principal Residence	: Singapore	Singapore
Date of last re-appointment (if applicable)	: 25 October 2019	25 October 2019
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	: Mr Benjamin's re-election as a Director of the Company was recommended by the NC and approved by the Board. His deep insight and knowledge of the Group's business and strategies contribute to the core competency of the Board.	Mr Ng's re-election as a Director of the Company was recommended by the NC and approved by the Board. His insight from his accounting and professional background contributes to the strength and overall quality of the Board.
Whether appointment is executive, and if so, the area of responsibility	: Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	: Non-Executive Chairman Member of the Nominating Committee	Lead Independent Non-Executive Director Chairman of the Audit Committee, Member of the Remuneration Committee
Professional qualifications	: None	Fellow Member of the Institute of Singapore Chartered Accountants

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Retiring Director	: Mr Frank Benjamin	Mr Ng Hin Lee
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	: (i) Mr Benjamin is the brother of Mr Eli Manasseh (Nash) Benjamin, who is an Executive Director of the Company and Chief Executive Officer of the Group. (ii) Mr Benjamin is the father of Mr Douglas Jackie Benjamin, who is an Executive Director of the Company and Chief Operating Officer of the Group.	No
Conflict of interest (including any competing business)	: No	No
Working experience and occupation(s) during the past 10 years	: July 2017 to Present: Non-Executive Chairman of the Company April 2006 to June 2017: Executive Chairman of the Company	August 2014 to Present: A director of various entities, details as set out below. January 2006 to July 2014: Group Chief Financial Officer of Singapore Post Limited
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules has been submitted to the listed issuer	: Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	: No	No
Shareholding Details	: N/A	N/A

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Retiring Director	: Mr Frank Benjamin	Mr Ng Hin Lee
Other Principal Commitments Including Directorships:		
Past (for the last 5 years)	None	Directorships: – Suzhou Bitekuai Hotel Management Co., Ltd – Henan Zhongyuan Four Seasons Aquatic Logistics Harbour Co., Ltd
Present	Directorship: - Sir Manasseh Meyer International School Pte. Ltd.	Directorships: – KOP Limited – GSH Corporation Limited – Leading Dragon Corporation Ltd – Jiaxing Shi Cheng Hotel Management Co., Ltd – Tianjin Junhe Industrial Co., Ltd – Qingdao Timi Supply Chain Co., Ltd – Durian Master Pte. Ltd. – Ding Yi Music Company Ltd.
Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	: No	No

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Retiring Director	: Mr Frank Benjamin	Mr Ng Hin Lee
Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	: No	No
Whether there is any unsatisfied judgment against him?	: No	No
Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	: No	No

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Retiring Director	: Mr Frank Benjamin	Mr Ng Hin Lee
Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	: No	No
Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	: No	No
Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	: No	No

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Retiring Director	: Mr Frank Benjamin	Mr Ng Hin Lee
Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	: No	No
Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	: No	No
Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	: No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	: No	No

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Retiring Director	: Mr Frank Benjamin	Mr Ng Hin Lee
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	: No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	: No	No
Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	: No	No

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Retiring Director	: Mr Frank Benjamin	Mr Ng Hin Lee
Disclosure applicable to the appointment of Director only		
<p>Any prior experience as a director of an listed issuer listed on the Exchange?</p> <p>If yes, please provide details of prior experience.</p> <p>If No, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)</p>	<p>: Not applicable. This is re-election of a Director of the Company.</p>	<p>Not applicable. This is re-election of a Director of the Company.</p>

F J BENJAMIN HOLDINGS LTD

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

PROXY FORM

ANNUAL GENERAL MEETING

IMPORTANT:

1. The Annual Report 2022 and the Notice of Annual General Meeting dated 12 October 2022 have been made available on the Company's corporate website at the URL <https://www.fjbenjamin.com/investors-relations.php> and SGX's website at the URL <https://www.sgx.com/securities/company-announcements>.
2. A relevant intermediary may appoint more than two (2) proxies to attend, speak and vote at the Annual General Meeting (please see note 4 for the definition of "relevant intermediary").
3. The Chairman and proxy need not be a member of the Company.
4. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 October 2022.
5. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of proxy or the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting.

I/We*, _____ (Name) _____ (NRIC/Passport/Company Registration No.)
of _____ (Address)
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 persons referred to above, the Chairman of the Meeting as *my/our proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the Annual General Meeting ("AGM" or the "Meeting") of the Company to be held at Function Room Antica I & II, Orchard Rendezvous Hotel, 1 Tanglin Road, Singapore 247905 on **Thursday, 27 October 2022 at 11.00 a.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.

All resolutions put to the vote at the Meeting shall be conducted by poll.

No.	Resolutions Relating to:	Number of Votes For ⁽¹⁾	Number of Votes Against ⁽¹⁾	Number of Votes Abstain ⁽¹⁾
ORDINARY BUSINESS:				
1	Adoption of the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2022, together with the Independent Auditor's Report thereon			
2	Re-election of Mr Frank Benjamin as a Director of the Company			
3	Re-election of Mr Ng Hin Lee as a Director of the Company			
4	Approval of Directors' fees of up to S\$200,000 for the financial year ending 30 June 2023			
5	Re-appointment of Messrs Ernst & Young LLP as Independent Auditor of the Company and to authorise the Directors of the Company to fix their remuneration			
SPECIAL BUSINESS:				
6	Authority to allot and issue shares			
7	Approval of Mr Ng Hin Lee's continued appointment as Independent Director by shareholders for the purpose of Rule 406(3)(d)(iii)(A) of the Catalist Rules			
8	Approval of Mr Ng Hin Lee's continued appointment as Independent Director by shareholders (excluding the Directors, Chief Executive Officer, and their associates) for the purpose of Rule 406(3)(d)(iii)(B) of the Catalist Rules			

* Delete as appropriate

(1) If you wish to exercise all your votes **For** or **Against** or **Abstain** the relevant resolution, please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark "Abstain", you are directing your proxy not to vote.

Dated this _____ day of _____ 2022

Signature of Shareholder(s)

or, Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

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

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 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, this instrument appointing a proxy or proxies ("**Proxy Form**") shall be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend, speak and vote at the Meeting of the Company is entitled to appoint one or two (2) 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 (2) 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. A member who is a relevant intermediary entitled to attend, speak and vote at the Meeting is entitled to appoint more than two (2) proxies to attend, speak and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

"**Relevant intermediary**" means:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. Relevant Intermediary shareholders, Central Provident Fund ("**CPF**") members and/or Supplementary Retirement Scheme ("**SRS**") investors who wish to vote at the AGM should approach their respective Relevant Intermediaries, CPF Agent Banks and/or SRS Operators as soon as possible. In the case of CPF and SRS investors, they must do so **by 11.00 a.m. on 17 October 2022**.
 6. Completion and return of this Proxy Form shall not preclude a member from attending, speaking and voting at the Meeting if he/she so wishes. Any appointment of a proxy or proxies for the Meeting 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 Proxy Form to the Meeting.
 7. A member who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it in the following manner:
 - i) by post to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - ii) by scanning and sending it via email to AGM.TeamE@boardroomlimited.com,

as soon as possible, in either case, at least forty-eight (48) hours before the time fixed for the AGM i.e. **no later than 11.00 a.m. on 25 October 2022**.

The Proxy Form, Notice of AGM and Annual Report 2022 are available for download from the Company's corporate website at the URL <https://www.fjbenjamin.com/investors-relations.php> and SGX's website at the URL <https://www.sgx.com/securities/company-announcements>.

8. This Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where this Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.
9. Where this Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this Proxy Form, failing which this Proxy Form shall be treated as invalid.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 October 2022.

GENERAL:

The Company shall be entitled to reject the instrument appointing a proxy(ies) 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(ies). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy(ies) lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

OPERATIONS DIRECTORY

SINGAPORE

F J BENJAMIN (SINGAPORE) PTE LTD
FASHION DYNAMICS SINGAPORE PTE LTD
THE LUXE CONCIERGE PTE LTD

1 Jalan Kilang Timor, #07-01/02
Pacific Tech Centre
Singapore 159303
Tel: (65) 6737 0155
Fax: (65) 6235 9605

MALAYSIA

F J BENJAMIN (M) SDN. BHD.

12th Floor, KH Tower
No 8 Lorong P Ramlee
50250 Kuala Lumpur, Malaysia
Tel: (60) 3 2056 6888
Fax: (60) 3 2031 4405

INDONESIA

PT GILANG AGUNG PERSADA AND ITS SUBSIDIARIES

Gedung Artha Graha 25th Floor
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190, Indonesia
Tel: (62) 21 5150303



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