

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

F J Benjamin Holdings Ltd (the “Company”) was placed on the watch-list under financial entry criteria pursuant to Rule 1311(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 5 December 2016. The SGX-ST has on 20 June 2019 approved the extension of the cure period for a period of 12 months, ending 4 December 2020.

In accordance with Rule 1313(2) of the SGX-ST Listing Manual, the Board of Directors of the Company would like to provide the following quarterly update on the Company, together with its subsidiaries (collectively, the “Group”).

The Company has on 22 October 2020 announced its intention to undertake a proposed transfer of listing of the Company from the Main Board of the SGX-ST to the Catalist Board of the SGX-ST (the “Proposed Transfer”). The Proposed Transfer is subject to, *inter alia*, the in-principle approval of the SGX-ST for the Proposed Transfer, and the approval of the shareholders of the Company by way of special resolution at an extraordinary general meeting (“EGM”) of the Company to be convened. The Company applied to the SGX-ST for an extension of a further three months to exit the Financial Watch List pending the Proposed Transfer. This extension is to allow the Company more time to complete the Proposed Transfer. On 13 November 2020, the Company received approval from the SGX-ST for the extension to 4 March 2021.

The Company has on 24 January 2021 announced that it received in-principle approval from the SGX-ST on the Proposed Transfer subject to certain conditions. An extraordinary general meeting will be held on 24 February 2021 to seek shareholders’ approval on the Proposed Transfer.

Business Update:

Regarding the Group’s two largest markets:

- (a) Singapore: various safe distancing measures implemented and travel restrictions have continued to impact footfall in malls where our stores are located and business has not returned to Pre-COVID-19 level. Singapore entered into Phase Three of reopening on 28 December 2020 where social gatherings of up to eight people are now allowed in public, up from five. Similarly, households can receive up to eight visitors. Capacity limits in malls were also increased. The first phase of vaccination against the COVID-19 virus has started and all these will help to augment the progressively increasing domestic spending.
- (b) Malaysia: following a rise in COVID-19 cases, the Malaysia Government announced the implementation of a conditional movement control order (“CMCO”) in most states from 14 October to 6 December 2020. Inter-state travel was prohibited. Stores in malls were opened but with a significant decline in foot traffic given the CMCO. To offset the falling sales in brick-and-mortar stores, the team directed their efforts to home deliveries through catalogue sales and personal selling as well as encouraging customers to shop online at our web stores. As the cases of COVID-19 continued to spike despite CMCO, the Government announced the implementation of a movement control order (“MCO”) on 13 January 2021 where only essential services are allowed to operate.

Regarding the Group’s associate company in Indonesia, a partial lock down was implemented from 14 September to 21 December 2020 where office buildings were restricted to 50% capacity and no dining in was allowed but this was relaxed from 29 September 2020 onwards and dining in is now allowed. Our stores in the malls were opened but heavy discounting had to be introduced to drive sales and footfall to our stores.

To meet the challenges of the 'new normal' of social distancing and work-from-home, the Group significantly scaled up its online network, striking agreements with several global brands for the rights to sell online. They included Guess, Casio (Indonesia), Pretty Ballerinas, Airfree, Anti Social Social Club, Lancel, U.S. Polo Association, Rebecca Minkoff and Dr. Barbara Sturm.

Management will continue to focus on its brick-and-mortar whilst reviewing its existing leases and will continue to grow its e-commerce business. Stepping up diversification into the health and wellness sector, the Group now distributes Airfree purifiers/ sterilisers through various chain stores and online platforms. Management is also exploring to add new and unique complementary products as wellness and hygiene will be an important sector of growth. The Group will continue to manage costs and inventory vigilantly.

BY ORDER OF THE BOARD

Karen Chong Mee Keng
Company Secretary
4 February 2021