

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.

The Company was placed on the watch-list under minimum trading price entry criteria pursuant to Rule 1311(2) of the Listing Manual of the SGX-ST on 5 June 2017.

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”).

Update on Financial Situation

For the financial year ended 30 June 2019 (FY19), the Group returned to profitability with net profit after tax of \$177,000 after a sustained period of restructuring. Reflecting improved quality of business, Group operating profit was 33% higher at \$4.1 million for FY19, from \$3.1 million the year before. Lower share of loss from the Group’s associate company in Indonesia also helped to improve Group pre-tax profit to \$2.1 million. With a healthier business all round following the discontinuance of low-yielding brands, more targeted inventory management and an absence of rampant industry discounting, gross profit margin improved from 46% to 49%. Group operating expenses fell 19% to \$60.7 million following cost controls and closure of non-performing stores and brands, resulting in total savings of \$13.9 million.

Update on Future Direction

The Company had announced on 14 November 2016 (“Announcement”) its entry into a non-binding term sheet with an international third party regarding a potential transaction which may enhance or unlock shareholder value. Further to the Announcement, the Board wishes to announce that the Company is still in discussions.

The Company raised a net amount of \$7.7 million from a rights cum warrants exercise in April 2018 which could potentially bring in another \$27 million if all the warrants are exercised by March 2021.

The Group has launched its online Omni Channel Superdry platform in Singapore in July and on the back of the encouraging performance, will roll out a similar platform in Malaysia in 2Q FY20. In early August, we also opened a Fauré Le Page heritage leather goods store in Singapore’s Ngee Ann City and the response has been good.

Due to the present global uncertainties, the Group will continue to be vigilant in managing costs and inventory. Management is of the opinion that barring unforeseen circumstances, and following the actions taken these last few years, the Group’s present pace of recovery could be maintained.

The Company is aware of the deadline given by SGX-ST for its removal from the watch-list. The Company will endeavour to meet the requirements of Rule 1314 of Listing Manual to be removed from the Watch-List.

BY ORDER OF THE BOARD

Karen Chong Mee Keng
Company Secretary
28 August 2019