

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS
1(ai) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Board of Directors of F J Benjamin Holdings Ltd wishes to announce the unaudited results of the Group for the second quarter ended 31 December 2016 (2Q17).

	-----GROUP-----		
	2Q17 \$'000	2Q16 \$'000	Change %
Turnover	62,451	70,894	(12)
Cost of goods sold	(38,336)	(43,952)	(13)
Gross Profit	24,115	26,942	(10)
Other income, net	270	553	(51)
Staff costs	(8,200)	(9,262)	(11)
Rental of premises	(10,355)	(10,970)	(6)
Advertising and promotion	(1,126)	(1,699)	(34)
Depreciation of furniture, fixtures and equipment	(1,082)	(1,395)	(22)
Other operating expenses	(7,173)	(7,251)	(1)
OPERATING LOSS	(3,551)	(3,082)	15
Interest expenses	(504)	(672)	(25)
	(4,055)	(3,754)	8
Foreign exchange loss, net	(3,156)	(32)	nm
Share of results of associates, net of tax	172	115	50
LOSS BEFORE TAXATION	(7,039)	(3,671)	92
Taxation	(216)	(28)	nm
NET LOSS FOR THE FINANCIAL PERIOD	(7,255)	(3,699)	96

OPERATING (LOSS)/PROFIT IS STATED AFTER CHARGING/(CREDITING):-

Loss/(Gain) on disposal of furniture, fixtures and equipment	13	(26)
Gain on dissolution of associated company	-	(103)
Allowance for inventory obsolescence and inventories written off	1,775	821
Reversal of allowance for inventory obsolescence	(727)	(226)

nm - not meaningful

1(aii) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Loss for the financial period

Other comprehensive income

Item that may be reclassified subsequently to profit or loss:

Foreign currency translation

Total comprehensive loss for the financial period

GROUP		
2Q17	2Q16	Change
\$'000	\$'000	%
(7,255)	(3,699)	96
387	1,000	(61)
(6,868)	(2,699)	nm

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	-----GROUP-----		-----COMPANY-----	
	31-Dec-16	30-Jun-16	31-Dec-16	30-Jun-16
	\$'000	\$'000	\$'000	\$'000
NON-CURRENT ASSETS				
Furniture, fixtures and equipment	11,819	12,819	41	49
Subsidiaries	-	-	21,852	21,141
Investment in associates	665	516	-	-
Mandatory convertible bonds	29,862	29,862	-	-
Other receivables	1,030	1,069	-	-
Deferred tax assets	909	928	-	-
	<u>44,285</u>	<u>45,194</u>	<u>21,893</u>	<u>21,190</u>
CURRENT ASSETS				
Inventories	50,353	54,808	-	-
Investment securities	167	167	-	-
External trade debtors	4,754	5,227	-	-
Trade debts due from related companies	17,301	15,376	-	-
Other debtors	14,315	15,012	41,100	39,863
Loan to related party of associate	5,500	5,500	-	-
Prepayments and advances	1,001	716	-	51
Tax recoverable	1,111	1,099	-	-
Cash on hand and at banks	7,846	3,446	68	125
	<u>102,348</u>	<u>101,351</u>	<u>41,168</u>	<u>40,039</u>
CURRENT LIABILITIES				
Trade and other creditors	56,608	49,785	2,395	2,172
Finance lease creditors	340	146	141	146
Bank borrowings	38,232	34,937	-	-
Provision for taxation	7	-	7	-
	<u>95,187</u>	<u>84,868</u>	<u>2,543</u>	<u>2,318</u>
NET CURRENT ASSETS	7,161	16,483	38,625	37,721
NON-CURRENT LIABILITIES				
Finance lease creditors	440	112	40	112
Other liabilities	33	28	-	-
Deferred tax liabilities	40	40	-	-
	<u>513</u>	<u>180</u>	<u>40</u>	<u>112</u>
NET ASSETS	50,933	61,497	60,478	58,799
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY				
Share capital	165,447	165,447	165,447	165,447
Foreign currency translation reserve	(26,497)	(26,767)	-	-
Accumulated losses	(88,017)	(77,183)	(104,969)	(106,648)
TOTAL EQUITY	50,933	61,497	60,478	58,799

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

	-----GROUP-----	
	31-Dec-16	30-Jun-16
	\$'000	\$'000
Amount repayable in one year or less, or on demand - unsecured	38,572	35,083
Amount repayable after one year - unsecured	440	112
Total borrowings	39,012	35,195
Cash on hand and at banks	(7,846)	(3,446)
Net borrowings	31,166	31,749

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	-----GROUP-----	
	2Q17	2Q16
	\$'000	\$'000
CASH FLOW FROM OPERATING ACTIVITIES:		
Loss before taxation	(7,039)	(3,671)
Adjustments for:		
Depreciation of furniture, fixtures and equipment	1,082	1,395
Share of results of associates, net of tax	(172)	(115)
Currency realignment	526	1,038
Loss / (Gain) on disposal of furniture, fixtures and equipment	13	(26)
Allowance for inventory obsolescence and inventories written off, net	1,048	595
Gain on dissolution of associated company	-	(103)
Investment income	-	(163)
Interest income	(56)	(56)
Interest expense	504	672
OPERATING LOSS BEFORE REINVESTMENT IN WORKING CAPITAL	(4,094)	(434)
Increase in debtors	(375)	(2,789)
(Increase)/decrease in prepayment and advances	(171)	207
Decrease in inventories	2,805	4,846
Increase in creditors	8,174	5,242
CASH FROM OPERATIONS	6,339	7,072
Income tax paid	(235)	(568)
NET CASH FROM OPERATING ACTIVITIES	6,104	6,504
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of furniture, fixtures and equipment	(1,195)	(1,144)
Proceeds from disposal of furniture, fixtures and equipment	26	83
Proceeds from investment securities, net	-	1
NET CASH USED IN INVESTING ACTIVITIES	(1,169)	(1,060)
CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of bank borrowings	(2,925)	(6,568)
Proceeds from bank borrowings	4,726	-
Repayment of obligations under finance lease	(117)	(44)
Proceeds from finance lease liabilities	681	-
Interest paid	(504)	(679)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES	1,861	(7,291)
Net increase/(decrease) in cash and cash equivalents	6,796	(1,847)
Cash and cash equivalents at beginning of the financial period	(6,630)	(6,597)
Net effect of exchange rate changes on opening cash and cash equivalents	23	(81)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	189	(8,525)
Cash and cash equivalents comprise the following:		
Cash and bank balances	7,846	2,746
Bank overdrafts	(7,657)	(11,271)
	189	(8,525)

1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share Capital \$'000	Foreign Currency Translation Reserve \$'000	Accumulated Losses \$'000	Total Equity \$'000
<u>GROUP</u>				
At 1 October 2016	165,447	(26,884)	(80,762)	57,801
Loss for the period	-	-	(7,255)	(7,255)
<u>Other comprehensive gain/(loss)</u>				
Foreign currency translation	-	387	-	387
Total comprehensive loss for the period	-	387	(7,255)	(6,868)
At 31 December 2016	165,447	(26,497)	(88,017)	50,933
At 1 October 2015	165,447	(28,071)	(59,691)	77,685
Loss for the period	-	-	(3,699)	(3,699)
<u>Other comprehensive gain/(loss)</u>				
Foreign currency translation	-	1,000	-	1,000
Total comprehensive loss for the period	-	1,000	(3,699)	(2,699)
At 31 December 2015	165,447	(27,071)	(63,390)	74,986
<u>COMPANY</u>				
At 1 October 2016	165,447	-	(106,336)	59,111
Total comprehensive income for the period	-	-	1,367	1,367
At 31 December 2016	165,447	-	(104,969)	60,478
At 1 October 2015	165,447	-	(50,492)	114,955
Total comprehensive income for the period	-	-	(374)	(374)
At 31 December 2015	165,447	-	(50,866)	114,581

1(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There has been no change in the Company's share capital during the period reported.

As at 31 December 2016 and 31 December 2015, there was no outstanding warrants.

1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 31 December 2016: 568,709,857

As at 30 June 2016: 568,709,857

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There is no sale, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in item 5 below, the Company and the Group have applied the same accounting policies and methods of computation as in the most recent audited annual financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reason for, and the effect of, the change.

In the current financial period, the Group has adopted all the new and revised Financial Reporting Standards ("FRSs") and interpretation of FRSs ("INT FRSs") that are effective for the financial year beginning on or after 1 January 2016.

The adoption of these new / revised FRSs and INT FRSs does not result in changes in Group's accounting policies and has no material effect on the amounts reported for the current period or prior periods.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	GROUP	
	2Q17	2Q16
(a) Basic (cents)	(1.28)	(0.65)
(b) Diluted (cents)	(1.28)	(0.65)

The basic and diluted earnings per share is computed based on the weighted average number of ordinary shares in issue during the financial period of 568,709,857 (2Q16: 568,709,857).

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.

	GROUP	COMPANY
Net asset value per ordinary share based on issued share capital as at:		
(a) current financial period reported on (cents)	8.96	10.63
(b) immediately preceding financial year (cents)	10.81	10.34

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Results for Second Quarter Ended 31 December 2016 (2Q17)

Group turnover was down by 12% to \$62.5 million, compared to \$70.9 million in 2Q16.

The decrease in turnover of \$8.4 million was partly due to the discontinued brands and businesses which amounted to \$4.8 million in sales in the previous comparative quarter. Sales to our Indonesian associate also dropped by \$3.9 million in 2Q17 with the rebalancing of its inventory level. Contributions to turnover from our Singapore operations fell by 5% while contributions to turnover from our Malaysian operations improved by 10% after accounting for currency translation loss of \$0.5 million following the conversion of Malaysian ringgit to Singapore dollar upon consolidating into the Group accounts. Gross profit margin improved to 39% from 38% in the previous corresponding quarter.

Total operating expenses fell 9% to \$27.9 million as the Group continued to rein in operating expenses across all business units and achieved total savings of \$2.6 million during the quarter under review. Lower sales, however, led to a higher cost-to-revenue ratio at 45% in 2Q17 against 43% before.

Group operating loss rose 15% to \$3.6 million in 2Q17. Net loss attributable to shareholders increased to \$7.3 million in 2Q17 from \$3.7 million in 2Q16, exacerbated by foreign exchange translation loss of \$3.2 million (\$32,000 loss in 2Q16). This was mainly from the strengthening of US dollar against the Singapore dollar and Malaysian ringgit.

By business segment, Group turnover from the fashion business declined 5% to \$52.1 million while timepieces fell 35% to \$10.4 million.

Geographically, revenue from the fashion business in Southeast Asia increased by 3%, excluding purchases by the Indonesian associate, discontinued brands, and adjusting for translation loss from the weakening of the Malaysian ringgit. Revenue from timepiece business declined 9%.

(ii) Balance Sheet

Inventory was reduced by 8% to \$50.4 million as at 31 December 2016.

For this reported quarter, the Group generated positive cash flows of \$6.1 million from operating activities and invested \$1.2 million on shop fittings. Net borrowings totalled \$31.2 million compared to \$31.7 million as at 30 June 2016. Net gearing stood at 61% against 52% as at 30 June 2016.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and actual results

Not applicable.

10. A commentary at the date of this announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The economic slowdown in our key markets, coupled with weaker regional currencies presented significant challenges to the Group's business in 2Q17. The Group continues to manage costs. Management is focused on identifying opportunities that would assist the Group to return to profitability.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period report on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediate preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. If the Company has obtained a general mandate from shareholders for interested party transactions ("IPT mandate"), the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have an IPT mandate.

14. Confirmation pursuant to Rule 705(5) of the Listing Manual.

To the best of our knowledge, nothing material has come to the attention of the Directors which may render the financial period results ended 31 December 2016 to be false or misleading.

15. Confirmation pursuant to Rule 720(1) of the Listing Manual.

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

16. Third quarter results for financial period ending 31 March 2017

The Company expects to announce its third quarter results ending 31 March 2017 in the week of 8th May 2017.

BY ORDER OF THE BOARD

Karen Chong Mee Keng
Company Secretary
14 February 2017