

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”).

Update on Financial Situation

The Covid19 virus outbreak has had a significant impact on our business in the third quarter of our financial year ending 30 June 2020. Since news of the virus first surfaced before Chinese New Year, foot traffic to our stores had started to decline. The downtrend intensified when governments in our key markets of Singapore, Malaysia and Indonesia, imposed movement restrictions to curb the spread of the virus. These included social distancing, border shut downs, travel restrictions, and limits on the number of customers entering shopping malls. All our stores in these markets were closed when lockdowns and partial lockdowns were introduced in these markets, the first being Malaysia on 18 March. Stores in Malaysia were recently open while those in Singapore and Indonesia are expected to be reopened from June, subject to strict social distancing and safety measures.

To counteract against the stores closure, the Group has stepped up its e-commerce business and plans to add additional brands to enhance our online presence.

Since February, management has also taken active steps to mitigate the negative impact of the Covid-19 pandemic on its business. These included tightening inventory inflows, cutting salaries and delaying all capital expenditure and marketing expenses except those for our online businesses. The Singapore government’s Job Support Scheme has also partially helped to alleviate cash flow pressure from the store closures.

Group turnover fell 30% to \$23 million in 3Q20 from \$32.7 million in 3Q19 and the lower turnover is expected to continue into 4Q20 as most of our stores are closed in April and May. Gross margins was constant at 50%. The Group expects to make a loss for the financial year ending 30 June 2020.

Save as disclosed above and in the Company’s previous announcements, there are no other material developments that may have a significant impact on the financial position of the Group or any other updates on its future direction. The Group will disclose any updates or further information as and when there are any subsequent developments.

BY ORDER OF THE BOARD

Karen Chong Mee Keng
Company Secretary
12 May 2020