

**RESPONSE TO QUESTIONS RAISED BY THE SECURITIES INVESTORS ASSOCIATION
(SINGAPORE) IN RESPECT OF THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL
YEAR ENDED 30 JUNE 2024**

The board of directors (the “**Board**”) of F J Benjamin Holdings Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) would like to provide the Company’s response with regards to the following areas, namely business and operational, financial and succession planning, to the questions raised by the Securities Investors Association (Singapore) (“**SIAS**”) in respect of the Company’s annual report for the financial year ended 30 June 2024 (“**FY2024**”). A copy of the questions raised by SIAS is attached herein as an appendix to this announcement.

BUSINESS AND OPERATIONAL

The Company has consistently adopted a strategy of representing multiple brands at any one time, recognising that brand fortune fluctuates over time and the Company would always like to have an up-and-coming brand ready to capitalize on market opportunities. Most of the brands within the Company’s portfolio are world-renowned brands and hold significant market share in the markets in which the Company operates in. Additionally, while some brands are lesser known, these brands still generate reasonable revenue for the Company. The Company is also focusing on baby products brands, as the demographics in Malaysia and Indonesia support the growth potential of such brands, enabling the Company to benefit once these brands gain wider recognition.

The Company typically identifies a gap in the market and decides whether the new brand under consideration addresses these needs. The Company will proceed with the development of the new brands after assessing what it will take to develop the respective brand. While niche brands are, by nature, small businesses, the Company has often seen the niche brands grow and become mainstream. The key is to identify these brands and to be able to bring them into the portfolio of the Company while the brands are still small in scale so that the Company can reap the benefits as the brands grow.

The retail landscape is currently going through a major flux globally and the Company is careful in identifying and proceeding with new brands unless the new brands have very strong potential. Trends are developing fast but only some of them survive a few years and even then, within these different trends, brands come and go more quickly than ever before. The Company has to be sure that the new brands the Company takes on are scalable and sustainable.

The management of the Company (“**Management**”) is in constant discussions with the Board on how to leverage on the Group’s expertise in retail to focus on consumer-facing businesses. Having carefully gone into the food and beverage (“**F&B**”) business, the Company is now exploring additional avenues to further its F&B business, given the current opportunities in the market. To diversify into this non-retail area, the Company needs to take advantage of its experience in addressing retail customer needs.

In terms of inventory management, the Group has established time-tested inventory management systems in place. However, with the portfolio of brands it represents, the Group typically places orders six to nine months in advance. Consequently, when business conditions change, it is not always possible to adjust incoming orders effectively, as these orders would have already been placed and confirmed six to nine months in advance.

FINANCIAL

The Board has reviewed the projected cash flow of the Group for the next twelve months and is of the view that, barring unforeseen circumstances, the Group will be able to generate adequate net cash inflows from its operating activities to support the ongoing operations of the Group.

The Group has implemented measures to further reduce its operating costs, close unprofitable stores, and relocate a substantial part of its backend support functions to Malaysia. Furthermore, the Group has also postponed the opening of new stores until consumer sentiment improves. The Group has also taken steps to reduce inventory stockholding by reducing forward purchases and being more aggressive with promotions.

In relation to the mandatory convertible bonds ("**Mandatory Convertible Bonds**") issued by PT Gilang Agung Persada, an associate of the Company, as at 30 June 2024, the Group's investment in PT Gilang Agung Persada was in a net asset position of S\$7.6 million. The Mandatory Convertible Bonds are classified as quasi-equity as explained in Note 15 in the Notes to Financial Statements of the annual report of the Company for FY2024 ("**AR2024**"). Stakeholders are encouraged to refer to Note 15 for details on the performance of impairment test by the Management and the independent auditor's report on page 101 of the AR2024.

On the question of losses incurred in the past decade, please refer to the Company's past announcements and annual reports where the losses incurred each year were explained in detail.

SUCCESSION PLANNING

The nominating committee of the Company is aware that the Chairman and Chief Executive Officer hold senior leadership positions in the Company and is in concurrence with the Management's plans to introduce new senior management in line with the development of new businesses the Company is exploring, when appropriate.

BY ORDER OF THE BOARD

Wendy Isabel Wong Pei Fern
Company Secretary
24 October 2024

*This announcement 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 ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

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

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