

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

The Group’s business continued to show progress following our return to profitability in the last financial year. For the first quarter ended 30 September 2019 (1Q 20), Group operating profit rose 28% to \$306,000 from \$240,000 in 1Q19. Gross profit margin improved from 49% to 50% in 1Q20 and Group operating expenses fell nine per cent to \$14.1 million, partly helped by lower logistic and warehousing cost.

However, due to reduced sales to our Indonesia associate which has started purchasing directly from its Principals, this has resulted in drop in sales of \$1.4 million. This has partly contributed to the 10% drop in Group turnover to \$28.5 million. Our Indonesia associate company saw a five per cent year-on-year decline in turnover as residents stayed indoors amid student demonstrations and riots in almost every province. The protests adversely affected foot traffic in the shopping districts. The Group’s share of loss totalled \$235,000 compared to a profit of \$197,000 in 1Q19.

The Group’s net loss for the quarter was \$670,000 compared to net loss of \$180,000 in 1Q19.

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.

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, 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
7 November 2019