FJ BENJAMIN

F J BENJAMIN HOLDINGS LTD

(Co. Reg. No. 197301125N)

PART 1 - 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 financial period ended 31 March 2018 (3Q18).

	--------GROUP----------		
	3Q18 $'000	3Q17 $'000	Change %
Turnover	41,821	49,526	(16)
Cost of goods sold	(23,403)	(26,797)	(13)
Gross Profit	18,418	22,729	(19)
Other income, net	607	2,246	(73)
Staff costs	(6,577)	(8,022)	(18)
Rental of premises	(5,787)	(10,222)	(43)
Advertising and promotion	(633)	(941)	(33)
Depreciation of furniture, fixtures and equipment	(755)	(1,115)	(32)
Other operating expenses	(4,490)	(6,878)	(35)
OPERATING PROFIT / (LOSS)	783	(2,203)	nm
Interest expenses	(386)	(431)	(10)
	397	(2,634)	nm
Foreign exchange gain, net	1,432	2,951	(51)
Share of results of associates, net of tax	(856)	(41)	nm
PROFIT BEFORE TAX	973	276	nm
Income tax expenses	(602)	(243)	nm
NET PROFIT FOR THE FINANCIAL PERIOD	371	33	nm

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

Loss / (Gain) on disposal of furniture, fixtures and equipment	233	(220)
Allowance for inventory obsolescence and inventories written off	536	1,669
Reversal of allowance for inventory obsolescence	(975)	(1,579)
Gain on disposal of business and assets of subsidiary	-	(1,549)

nm - not meaningful

1(aii) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP		
	3Q18	3Q17	Change
	$'000	$'000	%
Profit for the financial period	371	33	nm
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Foreign currency translation	(422)	(2,079)	nm
Total comprehensive income for the financial period	**(51)**	**(2,046)**	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-Mar-18	30-Jun-17	31-Mar-18	30-Jun-17
	$'000	$'000	$'000	$'000
NON-CURRENT ASSETS				
Furniture, fixtures and equipment	9,810	10,131	4	33
Subsidiaries	-	-	10,999	11,102
Investment in associates	24,085	23,932	-	-
Other receivables	1,083	1,024	-	-
Deferred tax assets	760	719	-	-
	35,738	35,806	11,003	11,135
CURRENT ASSETS				
Inventories	32,512	40,620	-	-
Investment securities	167	167	-	-
External trade debtors	4,038	4,380	-	-
Trade debts due from associate	15,286	9,884	-	-
Other debtors	14,204	13,788	37,978	31,752
Loan to related party of associate	5,500	5,500	-	-
Prepayments and advances	854	435	23	3
Tax recoverable	262	751	-	-
Cash on hand and at banks	5,699	7,204	73	3,236
	78,522	82,729	38,074	34,991
CURRENT LIABILITIES				
Trade and other creditors	50,877	45,941	6,290	3,736
Finance lease creditors	382	324	-	27
Bank borrowings	20,006	28,893	1,958	-
Provision for taxation	376	-	-	-
	71,641	75,158	8,248	3,763
NET CURRENT ASSETS	6,881	7,571	29,826	31,228
NON-CURRENT LIABILITIES				
Finance lease creditors	704	734	-	-
Deferred tax liabilities	40	40	-	-
	744	774	-	-
NET ASSETS	41,875	42,603	40,829	42,363
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	165,447	165,447	165,447	165,447
Foreign currency translation reserve	(29,359)	(28,241)	-	-
Accumulated losses	(94,213)	(94,603)	(124,618)	(123,084)
TOTAL EQUITY	41,875	42,603	40,829	42,363

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

	--------GROUP----------	
	31-Mar-18	30-Jun-17
	$'000	$'000
Amount repayable in one year or less, or on demand - unsecured	20,388	29,217
Amount repayable after one year - unsecured	704	734
Total borrowings	21,092	29,951
Cash on hand and at banks	(5,699)	(7,204)
Net borrowings	15,393	22,747

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----------	
	3Q18	3Q17
	$'000	$'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax	973	276
Adjustments for:		
Depreciation of furniture, fixtures and equipment	755	1,115
Share of results of associates, net of tax	856	41
Currency realignment	(727)	(1,872)
Loss/(Gain) on disposal of furniture, fixtures and equipment	233	(220)
(Reversal)/Allowance for inventory obsolescence and inventories written off, net	(439)	90
Interest income	(56)	(56)
Interest expense	386	431
OPERATING CASH FLOWS BEFORE WORKING CAPITAL CHANGES	1,981	(195)
(Increase)/ Decrease in debtors	(1,404)	552
Decrease in prepayment and advances	349	60
Decrease in inventories	6,171	5,081
Decrease in creditors	(1,439)	(7,196)
CASH FLOW GENERATED FROM OPERATIONS	5,658	(1,698)
Income tax paid	(85)	(161)
NET CASH FLOWS GENERATED FROM / (USED IN) OPERATING ACTIVITIES	5,573	(1,859)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of furniture, fixtures and equipment	(1,692)	(612)
Proceeds from disposal of furniture, fixtures and equipment	420	1,796
NET CASH FLOWS (USED IN) / FROM INVESTING ACTIVITIES	(1,272)	1,184
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of bank borrowings	(7,754)	(874)
Proceeds from bank borrowings	1,000	402
Repayment of obligations under finance lease	(96)	(195)
Proceeds from finance lease liabilities	-	138
Interest paid	(386)	(431)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	(7,236)	(960)
Net decrease in cash and cash equivalents	(2,935)	(1,635)
Cash and cash equivalents at beginning of financial period	2,324	189
Net effect of exchange rate changes on opening cash and cash equivalents	56	(31)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	(555)	(1,477)
Cash and cash equivalents comprise the following:		
Cash and bank balances	5,699	6,250
Bank overdrafts	(6,254)	(7,727)
	(555)	(1,477)

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
GROUP				
At 1 January 2018	165,447	(28,937)	(94,584)	41,926
Profit for the period	-	-	371	371
Other comprehensive income				
Foreign currency translation	-	(422)	-	(422)
Total comprehensive income for the period	-	(422)	371	(51)
At 31 March 2018	165,447	(29,359)	(94,213)	41,875
At 1 January 2017	165,447	(26,497)	(88,017)	50,933
Profit for the period	-	-	33	33
Other comprehensive income				
Foreign currency translation	-	(2,079)	-	(2,079)
Total comprehensive income for the period	-	(2,079)	33	(2,046)
At 31 March 2017	165,447	(28,576)	(87,984)	48,887
COMPANY				
At 1 January 2018	165,447	-	(124,070)	41,377
Total comprehensive income for the period	-	-	(548)	(548)
At 31 March 2018	165,447	-	(124,618)	40,829
At 1 January 2017	165,447	-	(104,969)	60,478
Total comprehensive income for the period	-	-	(1,261)	(1,261)
At 31 March 2017	165,447	-	(106,230)	59,217

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 and number of subsidiary holdings, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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 March 2018 and 31 March 2017, there was no outstanding warrants.

Pursuant to the Rights cum Warrants issue, the Company allotted and issued 341,225,914 Rights shares and 682,451,828 free detachable Warrants on 5 April 2018 and 6 April 2018 respectively.
The new shares shall rank pari passu in all aspect with all existing issued shares.

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 March 2018: 568,709,857
As at 30 June 2017: 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.

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

There is no sale, transfer, disposal, cancellation and/or use of subsidiary holdings 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 2017.

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 year or prior years.

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	
	3Q18	3Q17
(a) Basic (cents)	0.07	0.01
(b) Diluted (cents)	0.07	0.01

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 (3Q17: 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)	7.36	7.18
(b) immediately preceding financial year (cents)	7.49	7.45

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 Third Quarter Ended 31 March 2018 (3Q18)

Group net profit attributable to shareholders stood at $371,000 compared to $33,000 in 3Q17.

For the nine-month period from 1 July 2017 to 31 March 2018, the Group recorded net profit attributable to shareholders of $390,000 compared to a loss of $10.8 million in the previous corresponding period.

For the quarter, Group revenue fell 16% to $41.8 million due to the discontinuance of several loss-making brands and businesses which were terminated as part of the restructuring exercise which is now completed. The $7.7 million decline in revenue reflected $12.2 million worth of businesses which were discontinued after March 2017, as well as $1.7 milion of direct sales to the Group's Indonesia associate. The latter started shipping directly from its principals in April 2017. Sales in Singapore and Malaysia grew by $5.6 million, and a positive currency translation of $0.6 million from the appreciation of the Malaysian Ringgit against the Singapore dollar.

Group operating profit stood at $783,000, representing a significant turnaround from the operating loss of $2.2 million in the same period of last year.

Gross profit margin declined from 46% to 44% in 3Q18 due to clearance sales for Gap and Banana Republic following a decision not to renew their franchises and to wind down the businesses by February 2018. Excluding this, gross profit margin rose to 48% for the period under review.

Group operating expenses fell 33% to $18.2 million as a result of cost control and the closure of non-performing stores which yielded savings of $8.9 million.

Foreign exchange gain arose mainly from the strengthening of the Singapore Dollar and Malaysian Ringgit against the United States Dollar for goods purchased.

Geographically, revenue from the fashion business in Southeast Asia grew by 26% after excluding purchases by the Indonesian associate, discontinued brands, and translation gain from the strengthening of the Ringgit. Growth came from existing stores and new outlets opened after 3Q17. Revenue from timepiece business declined by 15%.

(ii) Balance Sheet

Inventory shrunk 20% to $32.5 million as at 31 March 2018 with improved sell throughs during the quarter and tighter inventory management.

Net borrowings totalled $15.4 million compared to $22.7 million as at 30 June 2017 with gearing at 37% compared to 53% as at 30 June 2017.

(iii) Cash Flows

As at 31 March 2018, the Group generated positive cash flow of $5.6 million from operating activities, invested $1.7 million on shop fittings and repaid bank borrowings and interest expense of $7.2 million.

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.

Consumer sentiment has improved in the key markets in which the Group operates and management expects the upturn to continue in the foreseeable future. The focus now is to grow its existing business, and is in discussion to introduce new brands to its portfolio. With the success of the recent rights issue, the Group is in a stronger financial position to grow organically and to expand in the consumer and lifestyle segments.

Management is also taking steps towards implementing an omnichannel strategy which seeks to foster a seamless shopping experience for digitally-savvy customers by integrating the Group's regional network of over 200 stores and new online channels.

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 March 2018 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. Full year results for financial year ending 30 June 2018

The Company expects to announce its full year results ending 30 June 2018 in the week of 27 August 2018.

BY ORDER OF THE BOARD

Karen Chong Mee Keng
Company Secretary
14 May 2018