

**QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL**

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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 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**

For the financial period ended 31 December 2018 (2Q19), Group operating profit stood at \$2.0 million from \$956,000 in 2Q18. Group net profit after tax was down 32% to \$656,000 from \$961,000 in previous corresponding period. The decline was due mainly to lower foreign exchange gain of \$341,000 compared to \$1.2 million in 2Q18. Higher share of losses of \$704,000 from the Group’s Indonesian associate also reduced net earnings.

Revenue from the Group’s on-going business rose four per cent. Overall, the Group revenue fell to \$37.4 million compared to \$50.5 million in 2Q18. The drop of \$13.1 million was made up of \$12.9 million from discontinued loss making businesses which has since ceased operations and \$1.5 million was from lower sales to our Indonesian associate who is now financing more of their purchases. The decrease is offset by the growth in revenue from the Group’s ongoing business of four per cent.

**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 April 2021.

Management is seeing a continued turnaround in the business and is taking all steps to ensure that the current pace of recovery can be expedited. Our strategy in 2019 is to grow organically our current labels as well as through acquisition of new brands. We plan to launch a luxury French heritage brand of leather goods in June 2019. Whilst we have completed our restructuring of businesses and closures of non-performing stores, there will be further substantial saving with the reduction of logistics costs in Singapore. Whilst economic indicators may be soften this year, management will work diligently to maximise our business with strict cost controls.

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  
31 January 2019