

**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 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 second quarter ended 31 December 2019 (2Q 20), Group operating profit rose 3% to \$2.035 million from \$2.0 million in 2Q19. Net profit after tax was \$509,000 against \$656,000 in the previous corresponding period, due to a lower exchange gain of \$123,000 in 2Q20 compared to \$341,000 in 2Q19.

Group turnover fell 9% to \$34.2 million due mainly to reduced sales to our Indonesia associate which has reduced its purchases given the decline in turnover. Consequently, exports to Indonesia from Singapore was just under \$1 million compared to \$2.7 million previously. Turnover for our Indonesia associate company declined 10% in 2Q20 from a year ago. The Group’s share of loss in Indonesia was \$633,000 from \$704,000 in 2Q19. Sales in Singapore were down 6% while Malaysia (excluding Celine and Loewe as their contracts have expired in November) was flat.

Gross profit margin improved from 48% to 51% in 2Q20.

Group operating expenses fell three per cent to \$15.5 million, partly helped by lower logistic and warehousing costs.

**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.

External headwinds, particularly the US-China trade war which is still hurting business across the region, and the softening job market in Singapore, are likely to continue to put a dampener on consumer spending. The developing Coronavirus crisis also warrants close monitoring. The Group will continue to manage costs and inventory.

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  
6 February 2020