

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 period ended 30 September 2019 (1Q 2020).

	-----GROUP-----		
	1Q20	1Q19	Change
	\$'000	\$'000	%
Turnover	28,464	31,720	(10)
Cost of goods sold	(14,240)	(16,024)	(11)
Gross Profit	14,224	15,696	(9)
Other income, net	209	110	90
Staff costs	(5,183)	(5,489)	(6)
Rental of premises	(1,784)	(5,683)	(69)
Advertising and promotion	(612)	(398)	54
Depreciation of furniture, fixtures and equipment	(749)	(804)	(7)
Depreciation of right-of-use assets *	(3,344)	-	nm
Other operating expenses	(2,455)	(3,192)	(23)
OPERATING PROFIT	306	240	28
Interest expenses from bank borrowings and finance lease creditors	(208)	(268)	(22)
Interest expenses from lease liabilities *	(303)	-	nm
	(205)	(28)	nm
Foreign exchange gain/ (loss), net	33	(92)	nm
Share of results of associate, net of tax	(235)	197	nm
(LOSS)/ PROFIT BEFORE TAX	(407)	77	nm
Income tax expenses	(263)	(257)	2
NET LOSS FOR THE FINANCIAL PERIOD	(670)	(180)	nm

* With effect from the financial year beginning 1 July 2019, the Group adopted SFRS(I) 16 Leases (refer to paragraph 5 on page 6).

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

Loss on disposal of furniture, fixtures and equipment	8	94
(Reversal)/ Allowance for inventory obsolescence and inventories written off	(11)	146

nm - not meaningful

1(aii) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Loss for the financial period

Other comprehensive income

Item that may be reclassified subsequently to profit or loss:

Foreign currency translation

Total comprehensive income for the financial period

GROUP		
1Q20	1Q19	Change
\$'000	\$'000	%
(670)	(180)	nm
202	(662)	nm
(468)	(842)	(44)

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-----	
	30-Sep-19	30-Jun-19	30-Sep-19	30-Jun-19
	\$'000	\$'000	\$'000	\$'000
NON-CURRENT ASSETS				
Furniture, fixtures and equipment	8,262	8,236	2	1
Right-of-use assets	24,638	-	-	-
Subsidiaries	-	-	31,157	31,050
Investment in associate	21,326	21,586	-	-
Deferred tax assets	269	266	-	-
	<u>54,495</u>	<u>30,088</u>	<u>31,159</u>	<u>31,051</u>
CURRENT ASSETS				
Inventories	35,122	32,410	-	-
External trade debtors	1,886	2,647	-	-
Trade debts due from associate	10,699	11,646	-	-
Other debtors	11,891	11,452	19,906	19,169
Loan to related party of associate	5,500	5,500	-	-
Prepayments and advances	902	575	83	50
Tax recoverable	66	59	-	-
Cash on hand and at banks	5,537	7,722	3,041	3,039
	<u>71,603</u>	<u>72,011</u>	<u>23,030</u>	<u>22,258</u>
CURRENT LIABILITIES				
Trade and other creditors	27,142	28,582	11,590	10,843
Finance lease creditors	447	442	-	-
Bank borrowings	20,126	18,409	-	-
Lease liabilities	10,607	-	-	-
Provision for taxation	148	402	-	-
	<u>58,470</u>	<u>47,835</u>	<u>11,590</u>	<u>10,843</u>
NET CURRENT ASSETS	13,133	24,176	11,440	11,415
NON-CURRENT LIABILITIES				
Finance lease creditors	254	362	-	-
Bank borrowings	819	1,134	-	-
Lease liabilities	14,255	-	-	-
	<u>15,328</u>	<u>1,496</u>	<u>-</u>	<u>-</u>
NET ASSETS	52,300	52,768	42,599	42,466
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	176,955	176,955	176,955	176,955
Foreign currency translation reserve	(493)	(695)	-	-
Other reserves	410	410	-	-
Accumulated losses	(124,572)	(123,902)	(134,356)	(134,489)
TOTAL EQUITY	52,300	52,768	42,599	42,466

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

	-----GROUP-----	
	30-Sep-19	30-Jun-19
	\$'000	\$'000
Amount repayable in one year or less, or on demand		
- Unsecured	19,313	17,591
- Secured	1,260	1,260
Amount repayable after one year		
- Unsecured	254	362
- Secured	819	1,134
Total borrowings	21,646	20,347
Cash on hand and at banks	(5,537)	(7,722)
Net borrowings	16,109	12,625

The secured term loan was secured by second legal mortgage over a personal property of a Director of the Group and personal guarantees from certain Directors of the Group.

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-----	
	1Q20	1Q19
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
(Loss) / Profit before tax	(407)	77
Adjustments for:		
Depreciation of furniture, fixtures and equipment	749	804
Depreciation of right-of-use assets	3,344	-
Share of results of associate, net of tax	235	(197)
Currency realignment	165	(515)
Loss on disposal of furniture, fixtures and equipment	8	94
Interest income	(70)	(57)
Interest expenses from bank borrowings and finance lease creditors	208	268
Interest expenses from lease liabilities	303	-
(Reversal)/ Allowance of inventory obsolescence and inventories written off, net	(11)	146
OPERATING CASH FLOWS BEFORE WORKING CAPITAL CHANGES	4,524	620
Decrease in debtors	1,325	318
Increase in prepayments and advances	(327)	(336)
Increase in inventories	(2,701)	(348)
Decrease in creditors	(1,440)	(289)
CASH FLOW GENERATED FROM OPERATIONS	1,381	(35)
Interest received	14	-
Income tax paid	(528)	(456)
NET CASH FLOWS GENERATED FROM / (USED IN) OPERATING ACTIVITIES	867	(491)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of furniture, fixtures and equipment	(732)	(555)
Proceeds from disposal of furniture, fixtures and equipment	-	170
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(732)	(385)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of bank borrowings	(315)	(1,167)
Proceeds from bank borrowings	2,141	233
Repayment of obligations under finance leases	(112)	(109)
Interest paid	(511)	(268)
Payment of lease liabilities	(3,138)	-
NET CASH FLOWS USED IN FINANCING ACTIVITIES	(1,935)	(1,311)
Net decrease in cash and cash equivalents	(1,800)	(2,187)
Cash and cash equivalents at beginning of financial period	6,203	6,185
Net effect of exchange rate changes on opening cash and cash equivalents	39	(115)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	4,442	3,883
<u>Cash and cash equivalents comprise the following:</u>		
Cash on hand and at banks	5,537	6,111
Bank overdrafts	(1,095)	(2,228)
	4,442	3,883

I(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	Foreign Currency Translation Reserve	Other Reserves	Accumulated Losses	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
GROUP					
At 1 July 2019	176,955	(695)	410	(123,902)	52,768
Loss for the period	-	-	-	(670)	(670)
<u>Other comprehensive income</u>					
Foreign currency translation	-	202	-	-	202
Total comprehensive income for the period	-	202	-	(670)	(468)
At 30 September 2019	176,955	(493)	410	(124,572)	52,300
At 1 July 2018	176,955	(207)	198	(124,079)	52,867
Loss for the period	-	-	-	(180)	(180)
<u>Other comprehensive income</u>					
Foreign currency translation	-	(662)	-	-	(662)
Total comprehensive income for the period	-	(662)	-	(180)	(842)
At 30 September 2018	176,955	(869)	198	(124,259)	52,025
COMPANY					
At 1 July 2019	176,955	-	-	(134,489)	42,466
Total comprehensive income for the period	-	-	-	133	133
At 30 September 2019	176,955	-	-	(134,356)	42,599
At 1 July 2018	176,955	-	-	(139,523)	37,432
Total comprehensive income for the period	-	-	-	(75)	(75)
At 30 September 2018	176,955	-	-	(139,598)	37,357

I(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.

	30-Sep-19	30-Sep-18
Total number of issued shares	909,935,771	909,935,771
Number of shares that may be issued on exercise of warrants	682,451,828	682,451,828

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 30 September 2019: 909,935,771

As at 30 June 2019: 909,935,771

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.

SFRS(I) 16 Leases

The Group adopted SFRS(I) 16 Leases on 1 July 2019 using modified retrospective approach. On the adoption of SFRS(I) 16, the Group has chosen, on a lease-by-lease basis, to measure the right-of-use at an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 July 2019.

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	
	1Q20	1Q19
(a) Basic (cents)	(0.07)	(0.02)
(b) Diluted (cents)	(0.07)	(0.02)

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 909,935,771 (1Q19: 909,935,771).

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)	5.75	4.68
(b) immediately preceding financial year (cents)	5.80	4.67

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 First Quarter Ended 30 September 2019 (1Q20)

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, our operating profit rose 28% to \$306,000 from \$240,000 in 1Q19.

Gross profit margin improved from 49% to 50% in 1Q20.

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.

(ii) Balance Sheet

Inventory increased eight per cent to \$35.1 million as the Group began to stock up for the coming peak seasons.

Net borrowings totalled \$16.1 million, up from \$12.6 million as at 30 June 2019 with gearing at 31% compared to 24% as at 30 June 2019.

(iii) Cash Flows

As at 30 September 2019, the Group generated net cash flows of \$867,000 from operating activities and also invested \$732,000 in shop fittings.

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.

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 can be maintained.

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/recommendeded, 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 30 September 2019 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. Second quarter results for financial period ending 31 December 2019

The Company expects to announce its second quarter results ending 31 December 2019 in the week of 3 February 2020.

BY ORDER OF THE BOARD

Karen Chong Mee Keng
Company Secretary
7 November 2019