

F J BENJAMIN BACK IN BLACK AS COVID-19 MEASURES EASE IN SOUTHEAST ASIA

- *Group achieves net profit of \$1.7 million on 26% increase in turnover*
- *Gross margin up from 47% to 53%*
- *Management optimistic business upturn will be sustained in near term*

Singapore, 9 February 2023 – F J Benjamin Holdings (FJB) today announced net profit of \$1.7 million for the half year ended 31 December 2022 (1H23), a reversal from a net loss of \$1.3 million in the corresponding period last year (1H22). The turnaround reflected higher sales volume as consumer demand returned in line with the abating of the COVID-19 pandemic.

Group turnover rose 26% to \$45.7 million in 1H23 from \$36.2 million in 1H22. A leading fashion retailer in Southeast Asia, FJB saw improved sales in all three key markets. In Singapore, sales, excluding lower exports to Indonesia, actually grew 18% from a year ago, while in Malaysia, it expanded 42% as business rebounded with the lifting of almost all COVID-19 restrictions and the reopening of borders in most countries.

Turnover for the Group's Indonesian associate increased by 28% in 1H23. While export sales from Singapore to its Indonesian associate dropped by 25% to \$2.6 million in 1H23 from \$3.4 million in 1H22, the Group's share of profit from its Indonesian associate more than doubled to \$809,000 in 1H23 from \$313,000 in the same period last year.

Gross profit margin rose to 53% in 1H23 from 47% in 1H22, mirroring the increased footfall at physical stores to satisfy pent up consumer demand after three years of pandemic restrictions on movements. As a result, the Group was able to clear more inventory and had less to put on sale at a lower margin.

Group operating expenses rose 21% to \$22.3 million in 1H23 due to higher rents, which went up by \$3.9 million as rental rebates fell, increased staff costs of \$1.0 million as salary pay-cuts were restored and higher commissions were paid in line with the higher sales, and higher travelling costs. The rise in operating expenses was partly offset by lower depreciation of right-of-use assets resulting from expired leases.

Other income fell 53% to \$266,000 in 1H23 mainly due to the cessation of wage credits under Singapore's Jobs Support Scheme.

Group Chief Executive Officer, Mr Douglas Benjamin said: "We are pleased to report higher revenue and net profit across our key markets as economies rebounded following the lifting of COVID-19 restrictions. Management is optimistic the business upturn will be sustained in the near term, supported by the return of Chinese tourists to Southeast Asia."

"We look forward to capitalising on this momentum in the coming months even as we keep a wary eye on a possible recession in the West spilling over to Asia."

With more consumers returning to shop at brick-and-mortar stores, the Group's online sales saw a decline in contribution, from 6% of total sales in 1H22 to 3% in 1H23.

Mr Benjamin said e-commerce remains a key pillar of the Group's long-term strategy notwithstanding the return of consumers to brick-and mortar stores.

Cole Haan, the iconic American shoe, bags and accessories brand, added to the Group's online portfolio in August 2022 and quickly gained appeal.

Meanwhile, the Group's balance sheet remains strong. Net borrowings eased from \$4.0 million as at end-June 2022 to \$1.6 million as at end-December 2022, primarily due to lower utilisation of trade bills financing. Gearing stood at 4% as at 31 December 2022 against 10% as at 30 June 2022.

During 1H23, the Group generated net cash flows of \$8.2 million from operating activities, invested \$1.0 million in capital expenditure, repaid bank and other borrowings and related interest expense of \$3.6 million, and repaid lease liabilities of \$4.2 million. This resulted in a net cash outflow of \$0.6 million for 1H23.

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About F J Benjamin Holdings Ltd (www.fjbenjamin.com) – With a rich heritage dating back to 1959, F J Benjamin Holdings Ltd is a consumer driven leader in brand building and management through distribution and retail. Listed on the Singapore Exchange since 1996 (Ticker: F10), F J Benjamin has a strong footprint in Southeast Asia, with office in four cities, manages over 20 iconic brands and operates 144 stores. The Group’s international brand portfolio includes fashion, lifestyle and timepiece brands.

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*This press release has been prepared by F J Benjamin Holdings Ltd (the “**Company**”) and its contents have been reviewed by the Company’s sponsor (the “**Sponsor**”), ZICO Capital Pte. Ltd., in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist.*

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