

**F J Benjamin Holdings Ltd
(Company Registration No. 197301125N)
(Incorporated in the Republic of Singapore)**

Response to SGX Query

The Board of Directors (the “Board”) of F J Benjamin Holdings Ltd (the “Company”) refers to its unaudited half yearly results for the period ended 31 December 2020 released on 4 February 2021. The Company wishes to respond to the query raised by Singapore Exchange Securities Trading Limited (“SGX”) on 9 February 2021 as follows:

SGX Query:

Page 1: Share of results of associate: (\$1,844,000). Provide further details on this associate, and elaborate on the significant increase in losses from \$868,000 to \$1,844,000.

Company’s Response:

As disclosed in Note 15, page 114 of Annual Report 2019/2020, the investment in associate relates to a 50% (2019: 50%) interest in an Indonesia-incorporated company, PT Gilang Agung Persada and its subsidiaries, whose principal activities comprise the distribution of consumer fashion wear, accessories and timepieces and other sales related activities.

Sales were adversely affected by the COVID-19 pandemic. Sales fell 42% or \$23 million compared to pre-COVID period for half year ended 31 December 2019 (“1H20”). A partial lockdown was implemented from 15 June to 13 September 2020. Schools were closed, dining in restaurants was prohibited and malls were only allowed to operate at 50% capacity. Although the stores remained opened, foot traffic to the stores were down significantly. A further spike in cases forced another partial lockdown which continued into January 2021. To offset the falling sales in the brick-and-mortar stores, efforts were directed to increase sales through home deliveries through catalogue sales and personal selling as well as encouraging customers to shop online at the online stores. To drive traffic to stores, higher discounting and increased promotions were launched resulting in gross margins declining from 39% in 1H20 to 35% for this period under review. Cost cutting measures were implemented which resulted in a 38% reduction in operating expenses compared to 1H20. These included mainly salary reduction, reduced advertising and promotional expenses and rental rebates from landlords.

BY ORDER OF THE BOARD

Karen Chong Mee Keng
Company Secretary
10 February 2021