

**PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**
**I(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 financial period ended 31 December 2017 (2Q18).

	-----GROUP-----		Change %
	2Q18 \$'000	2Q17 \$'000	
Turnover	50,457	62,451	(19)
Cost of goods sold	(27,447)	(38,336)	(28)
Gross Profit	23,010	24,115	(5)
Other income, net	230	270	(15)
Staff costs	(6,781)	(8,200)	(17)
Rental of premises	(7,858)	(10,355)	(24)
Advertising and promotion	(925)	(1,126)	(18)
Depreciation of furniture, fixtures and equipment	(829)	(1,082)	(23)
Other operating expenses	(5,891)	(7,173)	(18)
<b>OPERATING PROFIT / (LOSS)</b>	956	(3,551)	nm
Interest expenses	(461)	(504)	(9)
	495	(4,055)	nm
Foreign exchange gain / (loss), net	1,238	(3,156)	nm
Share of results of associates, net of tax	(321)	172	nm
<b>PROFIT / (LOSS) BEFORE TAX</b>	1,412	(7,039)	nm
Income tax expenses	(451)	(216)	nm
<b>NET PROFIT / (LOSS) FOR THE FINANCIAL PERIOD</b>	961	(7,255)	nm

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

Loss on disposal of furniture, fixtures and equipment	51	13
Allowance for inventory obsolescence and inventories written off	1,484	1,775
Reversal of allowance for inventory obsolescence	(315)	(727)

nm - not meaningful

**1(aii) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	GROUP		
	2Q18	2Q17	Change
	\$'000	\$'000	%
<b>Profit/ (Loss) for the financial period</b>	961	(7,255)	nm
<b>Other comprehensive income</b>			
Item that may be reclassified subsequently to profit or loss:			
Foreign currency translation	(152)	387	nm
<b>Total comprehensive income for the financial period</b>	<b>809</b>	<b>(6,868)</b>	nm

**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-----	
	31-Dec-17 \$'000	30-Jun-17 \$'000	31-Dec-17 \$'000	30-Jun-17 \$'000
<b>NON-CURRENT ASSETS</b>				
Furniture, fixtures and equipment	9,461	10,131	1	33
Subsidiaries	-	-	11,286	11,102
Investment in associates	24,865	23,932	-	-
Other receivables	1,054	1,024	-	-
Deferred tax assets	738	719	-	-
	<u>36,118</u>	<u>35,806</u>	<u>11,287</u>	<u>11,135</u>
<b>CURRENT ASSETS</b>				
Inventories	38,244	40,620	-	-
Investment securities	167	167	-	-
External trade debtors	4,874	4,380	-	-
Trade debts due from associate	14,079	9,884	-	-
Other debtors	13,022	13,788	34,690	31,752
Loan to related party of associate	5,500	5,500	-	-
Prepayments and advances	1,203	435	41	3
Tax recoverable	407	751	-	-
Cash on hand and at banks	7,726	7,204	30	3,236
	<u>85,222</u>	<u>82,729</u>	<u>34,761</u>	<u>34,991</u>
<b>CURRENT LIABILITIES</b>				
Trade and other creditors	52,316	45,941	4,671	3,736
Finance lease creditors	372	324	-	27
Bank borrowings	25,908	28,893	-	-
	<u>78,596</u>	<u>75,158</u>	<u>4,671</u>	<u>3,763</u>
<b>NET CURRENT ASSETS</b>	<b>6,626</b>	<b>7,571</b>	<b>30,090</b>	<b>31,228</b>
<b>NON-CURRENT LIABILITIES</b>				
Finance lease creditors	778	734	-	-
Deferred tax liabilities	40	40	-	-
	<u>818</u>	<u>774</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS</b>	<b>41,926</b>	<b>42,603</b>	<b>41,377</b>	<b>42,363</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>				
Share capital	165,447	165,447	165,447	165,447
Foreign currency translation reserve	(28,937)	(28,241)	-	-
Accumulated losses	(94,584)	(94,603)	(124,070)	(123,084)
<b>TOTAL EQUITY</b>	<b>41,926</b>	<b>42,603</b>	<b>41,377</b>	<b>42,363</b>

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

	-----GROUP-----	
	31-Dec-17 \$'000	30-Jun-17 \$'000
Amount repayable in one year or less, or on demand - unsecured	26,280	29,217
Amount repayable after one year - unsecured	778	734
Total borrowings	27,058	29,951
Cash on hand and at banks	(7,726)	(7,204)
Net borrowings	19,332	22,747

**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-----	
	2Q18 \$'000	2Q17 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit/ (Loss) before tax	1,412	(7,039)
Adjustments for:		
Depreciation of furniture, fixtures and equipment	829	1,082
Share of results of associates, net of tax	321	(172)
Currency realignment	(389)	526
Loss on disposal of furniture, fixtures and equipment	51	13
Allowance for inventory obsolescence and inventories written off, net	1,169	1,048
Interest income	(55)	(56)
Interest expense	461	504
<b>OPERATING CASH FLOWS BEFORE WORKING CAPITAL CHANGES</b>	<b>3,799</b>	<b>(4,094)</b>
Increase in debtors	(2,777)	(375)
Decrease/ (Increase) in prepayment and advances	254	(171)
Decrease in inventories	4,138	2,805
Increase in creditors	5,072	8,174
<b>CASH FLOW GENERATED FROM OPERATIONS</b>	<b>10,486</b>	<b>6,339</b>
Income tax paid	(228)	(235)
<b>NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES</b>	<b>10,258</b>	<b>6,104</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of furniture, fixtures and equipment	(481)	(1,195)
Proceeds from disposal of furniture, fixtures and equipment	-	26
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(481)</b>	<b>(1,169)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of bank borrowings	(4,024)	(2,925)
Proceeds from bank borrowings	-	4,726
Repayment of obligations under finance lease	(108)	(117)
Proceeds from finance lease liabilities	-	681
Interest paid	(461)	(504)
<b>NET CASH FLOWS (USED IN) / GENERATED FROM FINANCING ACTIVITIES</b>	<b>(4,593)</b>	<b>1,861</b>
Net increase in cash and cash equivalents	5,184	6,796
Cash and cash equivalents at beginning of financial period	(2,909)	(6,630)
Net effect of exchange rate changes on opening cash and cash equivalents	49	23
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>2,324</b>	<b>189</b>
Cash and cash equivalents comprise the following:		
Cash and bank balances	7,726	7,846
Bank overdrafts	(5,402)	(7,657)
	2,324	189



**1(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 \$'000	Foreign Currency Translation Reserve \$'000	Accumulated Losses \$'000	Total Equity \$'000
<b>GROUP</b>				
At 1 October 2017	165,447	(28,785)	(95,545)	41,117
Profit for the period	-	-	961	961
<u>Other comprehensive income</u>				
Foreign currency translation	-	(152)	-	(152)
Total comprehensive income for the period	-	(152)	961	809
At 31 December 2017	165,447	(28,937)	(94,584)	41,926
At 1 October 2016	165,447	(26,884)	(80,762)	57,801
Loss for the period	-	-	(7,255)	(7,255)
<u>Other comprehensive income</u>				
Foreign currency translation	-	387	-	387
Total comprehensive income for the period	-	387	(7,255)	(6,868)
At 31 December 2016	165,447	(26,497)	(88,017)	50,933
<b>COMPANY</b>				
At 1 October 2017	165,447	-	(123,631)	41,816
Total comprehensive income for the period	-	-	(439)	(439)
At 31 December 2017	165,447	-	(124,070)	41,377
At 1 October 2016	165,447	-	(106,336)	59,111
Total comprehensive income for the period	-	-	1,367	1,367
At 31 December 2016	165,447	-	(104,969)	60,478

**1(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.**

There has been no change in the Company's share capital during the period reported.

As at 31 December 2017 and 31 December 2016, there was no outstanding warrants.

**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 31 December 2017: 568,709,857

As at 30 June 2017: 568,709,857

**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.**

In the current financial period, the Group has adopted all the new and revised Financial Reporting Standards ("FRSs") and interpretation of FRSs ("INT FRSs") that are effective for the financial year beginning on or after 1 January 2017.

The adoption of these new / revised FRSs and INT FRSs does not result in changes in Group's accounting policies and has no material effect on the amounts reported for the current year or prior years.

**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	
	2Q18	2Q17
(a) Basic (cents)	0.17	(1.28)
(b) Diluted (cents)	0.17	(1.28)

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 568,709,857 (2Q17: 568,709,857).

**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)	7.37	7.28
(b) immediately preceding financial year (cents)	7.49	7.45



**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 Second Quarter Ended 31 December 2017 (2Q18)**

Group net profit attributable to shareholders stood at \$961,000, a significant turnaround from a net loss of \$7.3 million in 2Q17.

Group revenue fell 19% to \$50.5 million reflecting the absence of several loss-making brands and businesses which were terminated as part of a restructuring exercise which is now completed. The \$12.0 million decline in revenue comprised \$6.8 million of discontinued businesses and an \$8.2 million reduction in shipments to our Indonesian associate company which started buying directly from some of its principals in April 2017. The decline in sales was partially offset by a \$3.3 million increase in current businesses. Sales in Singapore and Malaysia grew by \$3.3 million excluding the effect of \$0.3 million due to currency translation loss from the depreciation of the Ringgit against the Singapore dollar.

Group operating profit stood at \$956,000 compared to operating loss of \$3.6 million in the same period of last year.

Gross profit margin improved to 46% from 39% in 2Q17 due to tighter inventory management and better full price sell throughs.

Group operating expenses fell 20% to \$22.3 million following cost controls and the closure of non-performing stores which saved \$5.7 million in expenses.

Geographically, revenue from the fashion business in Southeast Asia grew 13% excluding the effect of purchases by the Indonesian associate, discontinued brands, and translation loss from the weakening of the Malaysian Ringgit. The growth came from existing stores and new stores opened after 2Q17. Revenue from timepiece business declined by 17%.

#### **(ii) Balance Sheet**

Inventory decreased by 6% to \$38.2 million as at 31 December 2017. This is partly attributable to the higher sales generated during this quarter.

Net borrowings totalled \$19.3 million compared to \$22.7 million as at 30 June 2017 with gearing at 46% compared to 53% as at 30 June 2017.

#### **(iii) Cash Flows**

As at 31 December 2017, the Group generated positive cash flow of \$10.3 million from operating activities, invested \$0.5 million on shop fittings and repaid bank borrowings and interest expense of \$4.6 million.

**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.**

With consumer sentiment improving in Southeast Asian economies, management is working hard to grow its business organically whilst exploring opportunities to expand in the consumer and lifestyle segments.

On 23 October 2017, the Group announced a proposed renounceable rights cum warrants issue to raise up to \$39 million. Of this amount, \$12 million will be raised by way of renounceable rights and the remainder from conversion of warrants. The Group has obtained in-principle approval from Singapore Exchange Securities Trading Limited (“SGX-ST”) and Securities Industry Council (“SIC”).



**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 31 December 2017 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. Third quarter results for financial period ending 31 March 2018**

The Company expects to announce its third quarter results ending 31 March 2018 in the week of 14 May 2018.

**BY ORDER OF THE BOARD**

Karen Chong Mee Keng  
Company Secretary  
5 February 2018