F J BENJAMIN HOLDINGS LTD
(Company Registration No.: 197301125N)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

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.

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 coronavirus outbreak in late January 2020 took a heavy toll on the retail industry across South-east Asia as governments imposed lockdowns and social distancing measures that drastically reduced consumer spending at retail malls.

Singapore began the first phase of its so-called circuit breaker on 7 April while Malaysia implemented mandatory control order on 18 March. All non-essential businesses including food and beverage outlets and offices were ordered to close and work-from-home was instituted. The Group's stores in Singapore resumed trading on 19 June while those in Malaysia started staggered trading from 4 May. While stores were still open in February and March, traffic in the malls was substantially lower.

Group revenue fell 29% from $131.5 million to $92.9 million for the financial year ended 30 June 2020 (FY20). Group operating loss was $2.9 million, a reverse from operating profit of $4.1 million in FY19. Net loss after tax was $14.9 million against net profit after tax of $177,000 the year before. This included allowances made for expected credit losses on receivables from Indonesia associate and related party of associate, impairment of fixed assets and right-of use-assets and write down in value of investment in associate totalling $4.3 million.

Sales in Singapore (excluding exports to Indonesia) were down 29%. Malaysia was down 25%, and this excluded Celine and Loewe stores whose agreements expired in November and were not renewed by the Group.

Sales at the Group's Indonesia associate decreased 29% compared to FY19 due to the closure of stores from 30 March to 15 June. Consequently, exports to Indonesia from Singapore were $5.3 million compared to $11.0 million last year, mirroring a reduction in purchases. The Group's share of losses in associate was $5.3 million from $1.7 million in the previous financial year.

Gross profit margin improved from 49% to 50% in FY20.

Group operating expenses fell 16% to $51.1 million, primarily from lower logistic and warehousing costs, lower staff commission paid, Job Support Scheme subsidies received and rental rebates given by landlords.

To meet the challenges of the 'new normal' of social distancing and work-from-home, the Group significantly scaled up its online network, striking agreements with several global brands for the rights to sell online. They included Guess, Casio, Pretty Ballerina, Anti-Social Social Club, Lancel, Axel Arigato, U.S. Polo Association and Rebecca Minkoff.

The unique nature of the coronavirus pandemic has posed a set of challenges for the fashion retail industry globally. The Group's business in South-east Asia has not escaped the fallout from social distancing measures and does not expect a return to normality in the near future.

Management will continue to focus on its brick-and-mortar whilst reviewing its existing leases and will continue to grow its e-commerce business. Stepping up diversification into the health and wellness sector, the Group will be distributing Airfree purifiers/ sterilisers shortly. Management is also exploring to add new and unique complementary products as wellness and hygiene will be an important sector of growth. The Group will continue to manage costs and inventory vigilantly.

BY ORDER OF THE BOARD

Karen Chong Mee Keng
Company Secretary
27 August 2020