

**PART I - 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 financial period ended 31 December 2018 (2Q 2019).

	-----GROUP-----		
	2Q19	2Q18	Change
	\$'000	\$'000	%
Turnover	37,418	50,457	(26)
Cost of goods sold	(19,419)	(27,447)	(29)
Gross Profit	17,999	23,010	(22)
Other (expenses)/ income, net	(8)	230	nm
Staff costs	(5,372)	(6,781)	(21)
Rental of premises	(5,851)	(7,858)	(26)
Advertising and promotion	(620)	(925)	(33)
Depreciation of furniture, fixtures and equipment	(786)	(829)	(5)
Other operating expenses	(3,386)	(5,891)	(43)
OPERATING PROFIT	1,976	956	107
Interest expenses	(243)	(461)	(47)
	1,733	495	nm
Foreign exchange gain, net	341	1,238	(72)
Share of results of associate, net of tax	(704)	(321)	119
PROFIT BEFORE TAX	1,370	1,412	(3)
Income tax expenses	(714)	(451)	58
NET PROFIT FOR THE FINANCIAL PERIOD	656	961	(32)

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

Loss on disposal of furniture, fixtures and equipment	255	51
(Reversal) / Allowance for inventory obsolescence and inventories written off	(5)	1,484
Reversal of allowance for inventory obsolescence	(237)	(315)

nm - not meaningful

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

GROUP		
2Q19	2Q18	Change
\$'000	\$'000	%
<b>Profit for the financial period</b>		
656	961	(32)
<b>Other comprehensive income</b>		
Item that may be reclassified subsequently to profit or loss:		
Foreign currency translation	(6)	(152)
		(96)
<b>Total comprehensive income for the financial period</b>	<b>650</b>	<b>809</b>
		(20)

**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-18	30-Jun-18	30-Jun-17	31-Dec-18	30-Jun-18
	\$'000	\$'000	\$'000	\$'000	\$'000
		Restated	Restated		
<b>NON-CURRENT ASSETS</b>					
Furniture, fixtures and equipment	8,894	9,475	10,131	2	-
Subsidiaries	-	-	-	22,958	23,054
Investment in associate	22,130	22,609	23,932	-	-
Other receivables	630	648	1,024	-	-
Deferred tax assets	423	434	719	-	-
	<u>32,077</u>	<u>33,166</u>	<u>35,806</u>	<u>22,960</u>	<u>23,054</u>
<b>CURRENT ASSETS</b>					
Inventories	32,209	31,645	40,620	-	-
Investment securities	-	-	167	-	-
External trade debtors	2,790	3,089	4,380	-	-
Trade debts due from associate	14,296	14,358	9,884	-	-
Other debtors	10,665	11,762	13,788	15,130	14,057
Loan to related party of associate	5,500	5,500	5,500	-	-
Prepayments and advances	570	497	435	81	25
Tax recoverable	110	113	751	-	-
Cash on hand and at banks	7,903	9,298	7,204	3,017	2,796
	<u>74,043</u>	<u>76,262</u>	<u>82,729</u>	<u>18,228</u>	<u>16,878</u>
<b>CURRENT LIABILITIES</b>					
Trade and other creditors	33,658	33,584	45,941	3,989	2,500
Finance lease creditors	445	425	324	-	-
Bank borrowings	17,722	20,973	28,893	-	-
Provision for taxation	993	804	-	-	-
	<u>52,818</u>	<u>55,786</u>	<u>75,158</u>	<u>3,989</u>	<u>2,500</u>
<b>NET CURRENT ASSETS</b>	<b>21,225</b>	<b>20,476</b>	<b>7,571</b>	<b>14,239</b>	<b>14,378</b>
<b>NON-CURRENT LIABILITIES</b>					
Finance lease creditors	587	735	734	-	-
Deferred tax liabilities	40	40	40	-	-
	<u>627</u>	<u>775</u>	<u>774</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS</b>	<b>52,675</b>	<b>52,867</b>	<b>42,603</b>	<b>37,199</b>	<b>37,432</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>					
Share capital	176,955	176,955	165,447	176,955	176,955
Foreign currency translation reserve	(875)	(207)	-	-	-
Other reserves	198	198	-	-	-
Accumulated losses	(123,603)	(124,079)	(122,844)	(139,756)	(139,523)
<b>TOTAL EQUITY</b>	<b>52,675</b>	<b>52,867</b>	<b>42,603</b>	<b>37,199</b>	<b>37,432</b>

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

	-----GROUP-----	
	31-Dec-18	30-Jun-18
	\$'000	\$'000
Amount repayable in one year or less, or on demand - unsecured	18,167	21,398
Amount repayable after one year - unsecured	587	735
Total borrowings	18,754	22,133
Cash on hand and at banks	(7,903)	(9,298)
Net borrowings	10,851	12,835

**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-----	
	2Q19	2Q18
	\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit before tax	1,370	1,412
Adjustments for:		
Depreciation of furniture, fixtures and equipment	786	829
Share of results of associate, net of tax	704	321
Currency realignment	80	(389)
Loss on disposal of furniture, fixtures and equipment	255	51
Interest income	(53)	(55)
Interest expense	243	461
(Reversal)/ Allowance for inventory obsolescence and inventories written off, net	(242)	1,169
<b>OPERATING CASH FLOWS BEFORE WORKING CAPITAL CHANGES</b>	<b>3,143</b>	<b>3,799</b>
Decrease/ (Increase) in debtors	1,250	(2,777)
Decrease in prepayment and advances	263	254
(Increase) / Decrease in inventories	(120)	4,138
Increase in creditors	363	5,072
<b>CASH FLOW GENERATED FROM OPERATIONS</b>	<b>4,899</b>	<b>10,486</b>
Income tax paid	(306)	(228)
<b>NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES</b>	<b>4,593</b>	<b>10,258</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of furniture, fixtures and equipment	(1,006)	(481)
Proceeds from disposal of furniture, fixtures and equipment	1	-
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(1,005)</b>	<b>(481)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of bank borrowings	(1,319)	(4,024)
Proceeds from bank borrowings	39	-
Repayment of obligations under finance lease	(112)	(108)
Interest paid	(243)	(461)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<b>(1,635)</b>	<b>(4,593)</b>
Net increase in cash and cash equivalents	1,953	5,184
Cash and cash equivalents at beginning of financial period	3,883	(2,909)
Net effect of exchange rate changes on opening cash and cash equivalents	(9)	49
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>5,827</b>	<b>2,324</b>
Cash and cash equivalents comprise the following:		
Cash and bank balances	7,903	7,726
Bank overdrafts	(2,076)	(5,402)
	5,827	2,324



**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	Foreign Currency Translation Reserve	Accumulated Losses	Other reserve	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>GROUP</b>					
At 1 July 2018					
- As previously reported	176,955	(28,448)	(95,838)	198	52,867
- Effects of adopting SFRS(I) 1	-	28,241	(28,241)	-	-
- Restated opening balance	176,955	(207)	(124,079)	198	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)	(124,259)	198	52,025
At 1 October 2018	176,955	(869)	(124,259)	198	52,025
Profit for the period	-	-	656	-	656
<u>Other comprehensive income</u>					
Foreign currency translation	-	(6)	-	-	(6)
Total comprehensive income for the period	-	(6)	656	-	650
At 31 December 2018	176,955	(875)	(123,603)	198	52,675
At 1 July 2017					
- As previously reported	165,447	(28,241)	(94,603)	-	42,603
- Effects of adopting SFRS(I) 1	-	28,241	(28,241)	-	-
- Restated opening balance	165,447	-	(122,844)	-	42,603
Loss for the period	-	-	(942)	-	(942)
<u>Other comprehensive income</u>					
Foreign currency translation	-	(544)	-	-	(544)
Total comprehensive income for the period	-	(544)	(942)	-	(1,486)
At 30 September 2017	165,447	(544)	(123,786)	-	41,117
At 1 October 2017	165,447	(544)	(123,786)	-	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	(696)	(122,825)	-	41,926
<b>COMPANY</b>					
At 1 October 2018	176,955	-	(139,598)	-	37,357
Total comprehensive income for the period	-	-	(158)	-	(158)
At 31 December 2018	176,955	-	(139,756)	-	37,199
At 1 October 2017	165,447	-	(123,631)	-	41,816
Total comprehensive loss for the period	-	-	(439)	-	(439)
At 31 December 2017	165,447	-	(124,070)	-	41,377

**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.**

	31-Dec-18	31-Dec-17
Total number of issued shares	909,935,771	568,709,857
Number of shares that may be issued on exercise of warrants	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 31 December 2018: 909,935,771  
As at 30 June 2018: 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.**

The Group has adopted the new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)") on 1 July 2018 and has prepared its financial information under SFRS(I) for the second quarter ended 31 December 2018.

In adopting SFRS(I), the Group has applied all of the specific transition requirements in SFRS(I) 1 First-time Adoption of SFRS(I). The adoption of the new and revised standards and interpretations did not have any significant impact on the Group's financial statements. The Group has elected the option to reset its cumulative translation differences for foreign operations to be zero on 1 July 2017. As a result, cumulative translation losses of \$28,241,000 were reclassified from foreign currency translation reserve to accumulated losses as at 1 July 2017.

**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	
	2Q19	2Q18
(a) Basic (cents)	0.07	0.16
(b) Diluted (cents)	0.07	0.16

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 (2Q18: 596,679,194).

**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)	5.79	4.09
(b) immediately preceding financial year (cents)	5.81	4.11



**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 2018 (2Q19)**

The Group's business showed progress following its turnaround at the operating level in FY18. Group operating profit stood at \$2.0 million from \$956,000 in 2Q18. Group net profit after tax was down 32% to \$656,000 from \$961,000 in previous corresponding period. The decline was due mainly to lower foreign exchange gain of \$341,000 compared to \$1.2 million in 2Q18. Higher share of losses of \$704,000 from the Group's Indonesian associate also reduced the net earnings.

Revenue from the Group's on-going business rose four per cent. Overall, Group revenue fell to \$37.4 million compared to \$50.5 million in 2Q18. The drop of \$13.1 million was made up of \$12.9 million from discontinued loss-making businesses which has since ceased operations and \$1.5 million from lower sales to our Indonesian associate who is now financing more of their purchases. This decrease is offset by the growth in revenue from the Group's ongoing business of four per cent.

Gross profit margin improved from 46% to 48% in 2Q19 due to better inventory management and the cessation of low-yielding brands.

Group operating expenses fell 28% to \$16.0 million following cost controls and the closure of non-performing stores and brands, which resulted in total savings of \$6.3 million.

The Group's share of loss from associated company totalled \$704,000 against \$321,000 previously. Revenue excluding clearance sales increased three per cent year-on-year. Earnings, however, were dragged down by aggressive clearance sales which brought in cash of \$821,000 net of expenses.

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

Inventory increased two per cent to \$32.2 million as more merchandise was ordered for the coming Chinese New Year festive season.

Net borrowings totalled \$10.8 million, down from \$12.8 million as at 30 June 2018 with gearing at 21% compared to 24% as at 30 June 2018.

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

As at 31 December 2018, the Group generated net cash flows of \$4.6 million from operating activities, invested \$1.0 million in shop fittings and repaid bank borrowings and interest expense of \$1.6 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.**

Management is seeing a continued turnaround in the business and is taking all steps to ensure that the current pace of recovery can be expedited. Our strategy in 2019 is to grow organically our current labels as well as through acquisition of new brands. We plan to launch a luxury French heritage brand of leather goods in June 2019.

Whilst we have completed our restructuring of businesses and closures of non-performing stores, there will be further substantial saving with the reduction of logistics costs in Singapore.

Whilst economic indicators may be soften this year, management will work diligently to maximise our business with strict cost controls.



**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 2018 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 2019**

The Company expects to announce its third quarter results ending 31 March 2019 in the week of 6 May 2019.

**BY ORDER OF THE BOARD**

Karen Chong Mee Keng  
Company Secretary  
31 January 2019