
**REALLOCATION AND USE OF PROCEEDS FROM EXERCISE OF WARRANTS
 GRANTED UNDER THE RIGHTS CUM WARRANTS ISSUE IN 2018**

The board of directors (“**Board**”) of F J Benjamin Holdings Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to (i) the Company’s circular to its shareholders dated 15 February 2018 and offer information statement dated 12 March 2018 (“**Offer Information Statement**”) in relation to the Rights cum Warrants Issue; and (ii) the Company’s announcement dated 5 April 2021 (the “**Announcement**”) on the expiry of outstanding unexercised warrants under the Rights cum Warrants Issue. *Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the Offer Information Statement.*

As set out in the Announcement, as at 5:00 p.m. on the Expiry Date, a total of 157,378,132 Warrants had been exercised at the exercise price of S\$0.04. Accordingly, the Company raised aggregate gross proceeds of approximately S\$6,295,000, and after deducting expenses incurred in relation to the exercise of Warrants amounting to approximately S\$25,000, the Company raised net proceeds of approximately S\$6,270,000 (“**Net Proceeds**”) from the exercise of Warrants.

The Board wishes to provide an update on the reallocation and utilisation of Net Proceeds. Following a review of the Group’s current operating environment, taking into consideration the on-going COVID-19 pandemic, and the implementation of lockdown, safe distancing measures and travel restrictions which impacted the businesses of the Group, the Board had re-allocated S\$1,353,000 (amounting to 21.6%) of the Net Proceeds, which was originally allocated for the expansion of the Group’s business activities when the Rights cum Warrants Issue took place three years ago (pre COVID-19) to general working capital purposes (the “**Reallocation**”). The Board is of the view that the Reallocation is in the best interests of the Company and Shareholders as the Reallocation will enable the Group to effectively utilise the cash available to the Group to fund the working capital needs of the Group

The following table summarises the Reallocation and use of Net Proceeds:-

Use of Net Proceeds	Allocation as disclosed in the Offer Information Statement	Amount based on Reallocation basis	Amount utilised as at the date of this announcement	Balance of Net Proceeds after Reallocation as at the date of this announcement
Expansion of the Group’s business activities	50% of net proceeds from the exercise of warrants (being, S\$3,135,000)	S\$1,782,000	S\$404,000 ⁽¹⁾	S\$1,378,000
General working capital	50% of net proceeds from the exercise of warrants (being, S\$3,135,000)	S\$4,488,000	S\$4,488,000 ⁽²⁾	-
Total	S\$6,270,000	S\$6,270,000	S\$4,892,000	S\$1,378,000

Notes:

- (1) Net Proceeds used for fit out and inventory for new store opened and E-commerce business.
- (2) Net Proceeds used for general working capital comprising (a) S\$2,085,000 for repayment of trade invoices financed by banks and trade suppliers' invoices; and (b) S\$2,403,000 for repayment of non-trade creditors, which consisted of rental, freight costs and other operating expenses.

Save as disclosed above on the Reallocation, the use of Net Proceeds is in accordance with the intended uses as disclosed in the Offer Information Statement.

The Board will continue to provide periodic announcements on the utilisation of the balance of the Net Proceeds as and when such proceeds are materially disbursed. The Company will also provide a status report on the use of the Net Proceeds in its annual report(s) and financial results announcement(s).

BY ORDER OF THE BOARD

Karen Chong Mee Keng
Company Secretary
17 May 2021

This announcement has been prepared by 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 Catalyst.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.