

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF 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 six months period ended 31 December 2020 (1H FY21).

	----- GROUP -----		
	1H FY21	1H FY20	Change
	\$'000	\$'000	%
Turnover	37,955	62,676	(39)
Cost of goods sold	(19,226)	(31,094)	(38)
Gross Profit	18,729	31,582	(41)
Other income, net	1,463	365	nm
Staff costs	(7,540)	(10,853)	(31)
Rental of premises	(1,182)	(5,948)	(80)
Advertising and promotion	(1,020)	(1,245)	(18)
Depreciation of furniture, fixtures and equipment	(1,194)	(1,511)	(21)
Depreciation of right-of-use assets	(6,459)	(4,617)	40
Other operating expenses	(4,265)	(5,432)	(21)
OPERATING (LOSS) / PROFIT	(1,468)	2,341	nm
Interest expenses from bank borrowings and hire purchase	(414)	(456)	(9)
Interest expenses from lease liabilities	(375)	(479)	(22)
	(2,257)	1,406	nm
Foreign exchange gain, net	419	156	nm
Share of results of associate, net of tax	(1,844)	(868)	nm
LOSS / (PROFIT) BEFORE TAX	(3,682)	694	nm
Income tax expenses	(35)	(855)	(96)
NET LOSS FOR THE PERIOD	(3,717)	(161)	nm

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

(Gain)/ Loss on disposal of furniture, fixtures and equipment	(109)	34
Allowance for expected credit losses and bad debts written off	128	-
(Reversal)/ allowance for inventory obsolescence and inventories written off	(204)	188

nm - not meaningful

1(aii) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Loss for the financial period

Other comprehensive income

Item that may be reclassified subsequently to profit or loss:

Foreign currency translation

Total comprehensive income for the financial period

GROUP		
1H FY21	1H FY20	Change
\$'000	\$'000	%
(3,717)	(161)	nm
288	182	nm
(3,429)	21	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-20	30-Jun-20	31-Dec-20	30-Jun-20
	\$'000	\$'000	\$'000	\$'000
NON-CURRENT ASSETS				
Furniture, fixtures and equipment	5,434	6,256	245	1
Right-of-use assets	16,835	19,767	7	48
Subsidiaries	-	-	40,226	40,135
Investment in associate	13,845	15,272	-	-
Deferred tax assets	382	378	-	-
	<u>36,496</u>	<u>41,673</u>	<u>40,478</u>	<u>40,184</u>
CURRENT ASSETS				
Inventories	25,244	29,183	-	-
External trade debtors	1,285	1,162	-	-
Trade debts due from associate	9,863	8,917	-	-
Other debtors	11,801	12,767	45	58
Prepayments and advances	636	499	45	17
Tax recoverable	689	491	-	-
Cash on hand and at banks	8,957	11,715	3,045	3,058
	<u>58,475</u>	<u>64,734</u>	<u>3,135</u>	<u>3,133</u>
CURRENT LIABILITIES				
Trade and other creditors	23,256	23,500	1,809	2,206
Hire purchase	201	357	23	-
Bank borrowings	15,109	18,420	-	-
Lease liabilities	10,547	10,905	7	48
Provision for taxation	2	2	-	-
	<u>49,115</u>	<u>53,184</u>	<u>1,839</u>	<u>2,254</u>
NET CURRENT ASSETS	9,360	11,550	1,296	879
NON-CURRENT LIABILITIES				
Other creditors	-	-	10,020	8,397
Hire purchase	155	80	119	-
Bank borrowings	4,312	5,827	-	-
Lease liabilities	6,932	9,430	-	-
	<u>11,399</u>	<u>15,337</u>	<u>10,139</u>	<u>8,397</u>
NET ASSETS	34,457	37,886	31,635	32,666
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	176,955	176,955	176,955	176,955
Foreign currency translation reserve	(364)	(652)	-	-
Other reserves	437	437	-	-
Accumulated losses	(142,571)	(138,854)	(145,320)	(144,289)
TOTAL EQUITY	34,457	37,886	31,635	32,666

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

	-----GROUP-----	
	31-Dec-20	30-Jun-20
	\$'000	\$'000
Amount repayable in one year or less, or on demand		
- Unsecured	13,757	18,147
- Secured	1,553	630
Amount repayable after one year		
- Unsecured	4,467	4,983
- Secured	-	924
Total borrowings	19,777	24,684
Cash on hand and at banks	(8,957)	(11,715)
Net borrowings	10,820	12,969

The secured term loan was secured by second legal mortgage over a personal property of a Director of the Group and personal guarantees from certain Directors of the Group.

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-----	
	1H FY21	1H FY20
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
(Loss)/ Profit before tax	(3,682)	694
Adjustments for:		
Depreciation of furniture, fixtures and equipment	1,194	1,511
Depreciation of right-of-use assets	6,459	4,617
Share of results of associate, net of tax	1,844	868
Currency realignment	(247)	133
(Gain)/ Loss on disposal of furniture, fixtures and equipment	(109)	34
Interest income	(6)	(137)
Interest expenses from bank borrowings and hire purchase	414	456
Interest expenses from lease liabilities	375	479
(Reversal)/ allowance for inventory obsolescence and inventories written off, net	(204)	188
Allowance for expected credit losses and bad debts written off	128	-
OPERATING CASH FLOWS BEFORE WORKING CAPITAL CHANGES	6,166	8,843
(Increase)/ Decrease in debtors	(230)	3,829
Increase in prepayments and advances	(137)	(115)
Decrease in inventories	4,143	1,166
Decrease in creditors	(244)	(4,597)
CASH FLOW GENERATED FROM OPERATIONS	9,698	9,126
Interest received	5	26
Income tax paid	(226)	(959)
NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES	9,477	8,193
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of furniture, fixtures and equipment	(203)	(1,287)
Proceeds from disposal of furniture, fixtures and equipment	115	3
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(88)	(1,284)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of bank borrowings	(3,540)	(1,973)
Proceeds from bank borrowings	-	2,141
Repayment of obligations under hire purchase	(228)	(223)
Interest paid	(414)	(456)
Payment of lease liabilities	(6,709)	(4,792)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	(10,891)	(5,303)
Net (decrease)/ increase in cash and cash equivalents	(1,502)	1,606
Cash and cash equivalents at beginning of financial period	8,515	6,203
Net effect of exchange rate changes on opening cash and cash equivalents	30	24
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	7,043	7,833
<u>Cash and cash equivalents comprise the following:</u>		
Cash on hand and at banks	8,957	9,253
Bank overdrafts	(1,914)	(1,420)
	7,043	7,833

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	Other Reserves	Accumulated Losses	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
GROUP					
At 1 July 2020	176,955	(652)	437	(138,854)	37,886
Loss for the period	-	-	-	(3,717)	(3,717)
<u>Other comprehensive income</u>					
Foreign currency translation	-	288	-	-	288
Total comprehensive income for the period	-	288	-	(3,717)	(3,429)
At 31 December 2020	176,955	(364)	437	(142,571)	34,457
At 1 July 2019	176,955	(695)	410	(123,902)	52,768
Loss for the period	-	-	-	(161)	(161)
<u>Other comprehensive income</u>					
Foreign currency translation	-	182	-	-	182
Total comprehensive income for the period	-	182	-	(161)	21
At 31 December 2019	176,955	(513)	410	(124,063)	52,789
COMPANY					
At 1 July 2020	176,955	-	-	(144,289)	32,666
Total comprehensive income for the period	-	-	-	(1,031)	(1,031)
At 31 December 2020	176,955	-	-	(145,320)	31,635
At 1 July 2019	176,955	-	-	(134,489)	42,466
Total comprehensive income for the period	-	-	-	(413)	(413)
At 31 December 2019	176,955	-	-	(134,902)	42,053

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-20	31-Dec-19
Total number of issued shares	909,935,771	909,935,771
Number of shares that may be issued on exercise of warrants	682,451,828	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 2020: 909,935,771

As at 30 June 2020: 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 modifications or emphasis of a matter).

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

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 ("FRS") and interpretation of FRS ("INT FRS") that are effective for the financial year beginning on or after 1 July 2020.

The adoption of the 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	
	1H FY21	1H FY20
(a) Basic (cents)	(0.41)	(0.02)
(b) Diluted (cents)	(0.41)	(0.02)

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 (1H FY20: 909,935,771).

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 year reported on (cents)	3.79	3.48
(b) immediately preceding financial year (cents)	4.16	3.59

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 Half Year Ended 31 December 2020 (1H21)

Group revenue for the first six months ended 31 December 2020 (1H21) fell 39% from \$62.7 million to \$38.0 million. Loss after tax amounted \$3.7 million.

Sales were adversely affected by the COVID-19 pandemic. Sales in Singapore fell 30%; in Malaysia by 41% as the country experienced a second wave of infections and implemented a series of partial lockdowns from 5 May 2020 to mid February 2021.

In Malaysia, the Recovery Movement Control Order introduced from mid June and lasted 125 days but interstate and interdistrict travels were permitted and the public could travel to work. This helped sales for the period.

However, following a spike in daily COVID-19 cases, a Conditional Movement Control Order came into force from 14 October to 6 December 2020 in 9 out of 13 states and all three federal territories – Kuala Lumpur, Putrajaya and Labuan. During this period, malls remained open but footfall especially in the Klang Valley where most of our stores are located, was down significantly due to the movement restrictions. To offset the falling sales in our brick-and-mortar stores, the team directed their efforts to home deliveries through catalogue sales and personal selling as well as encouraging customers to shop online at our online stores.

Turnover for our Indonesia associate company declined 42% compared to 1H20. A partial lockdown was implemented from 15 June to 13 September 2020. Schools were closed, dining in restaurants was prohibited and malls were allowed to operate at only 50% capacity. A further spike in cases forced another partial lockdown which continued into January 2021. The Group's share of loss in Indonesia was \$1.8 million from \$868,000 in 1H20 although the associate managed to reduce the loss in the second quarter compared to 1Q21.

As part of the Group's plan to diversify its revenue base, we expanded into the health and wellness sector with the launch of skincare products and air purifiers. We initially launched Dr Barbara Sturm, a high end brand of molecular cosmetics, online in October 2020. This was followed two months later by a pop-up store at Ngee Ann City, Singapore. On 13 August 2020, we signed an exclusive distributionship agreement with AIRFREE Products Electronics SA from Portugal for the distribution of "AIRFREE" proprietary air purifiers in Singapore and Malaysia.

Our e-commerce business now includes nine brands and is seeing encouraging results since we ramped up our presence in cyberspace just before the COVID-19 lockdown last year. During the first six months of our current financial year, turnover from online channels accounted for 5% of total sales in Singapore and 2% in Malaysia. We started the online business in Malaysia later and are currently pursuing other brands for our online platform.

Gross profit margin declined marginally from 50% to 49% during the period under review despite us having to offer various promotions and discounts to drive traffic to stores.

Group operating expenses fell 27% to \$21.7 million mainly due to rental rebates, salary reduction and lower other operating expenses.

Other income comprises mainly wage credits and job support scheme grants from the Government.

(ii) Balance Sheet

Inventory decreased by 13% to \$25.2 million following the cancellation of incoming shipments.

Net borrowings totalled \$10.8 million, down from \$13.0 million as at 30 June 2020 and gearing was at 31% compared to 34% as at 30 June 2020.

(iii) Cash Flows

As at 31 December 2020, the Group generated net cash flows of \$9.5 million from operating activities and repaid bank borrowings and interest expense of \$4.0 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.

The ongoing COVID-19 pandemic is expected to continue to weigh down on markets like Malaysia and Indonesia which are still struggling to tackle second and third waves of coronavirus infections. The progressive rollout of a vaccine programme in markets where we operate in augurs well for a sustained economic recovery although cross-border restrictions and social distancing measures will delay any significant upturn in regional tourism and spending. We will continue to monitor this global public health crisis and will step up efforts to strengthen our e-commerce capabilities with further investments in digital marketing and customer service technology.

The Company has on 22 October 2020 announced its intention to undertake a proposed transfer of listing of the Company from the Main Board of the SGX-ST to the Catalist Board of the SGX-ST (the "Proposed Transfer"). The Proposed Transfer is subject to, *inter alia*, the in-principle approval of the SGX-ST for the Proposed Transfer, and the approval of the shareholders of the Company by way of special resolution at an extraordinary general meeting ("EGM") of the Company to be convened. The Company has applied to the SGX-ST for an extension of a further three months to exit the Financial Watch List pending the Proposed Transfer. This extension is to allow the Company more time to complete the Proposed Transfer. On 13 November 2020, the Company received approval from SGX-ST for the extension to 4 March 2021.

The Company has on 24 January 2021 announced that it received in-principle approval from SGX-ST on the Proposed Transfer subject to certain conditions. An extraordinary general meeting will be held on 24 February 2021 to seek shareholders' approval on the Proposed Transfer.

11. If a decision regarding dividend has been made:—

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

**(b) (i) amount per share
(ii) previous corresponding period**

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended as the Company has incurred losses for the financial period.

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 2020 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. Full year results for financial year ending 30 June 2021

The Company expects to announce its full year results ending 30 June 2021 in the week of 23 August 2021.

BY ORDER OF THE BOARD

Karen Chong Mee Keng
Company Secretary
4 February 2021