

**PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS****I(a) 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 third quarter ended 31 March 2014 (3Q14)

	-----GROUP-----		Change %
	3Q14 \$'000	3Q13 \$'000	
Turnover	90,326	92,550	(2)
Cost of goods sold	(55,163)	(51,698)	7
Gross Profit	35,163	40,852	(14)
Other income	3,667	1,801	104
Staff costs	(14,502)	(13,013)	11
Rental of premises	(14,514)	(13,934)	4
Advertising and promotion	(3,478)	(3,346)	4
Depreciation of property, furniture, fixtures and equipment	(2,194)	(2,163)	1
Depreciation of investment properties	-	(27)	(100)
Other operating expenses	(8,862)	(9,110)	(3)
<b>OPERATING (LOSS) / PROFIT</b>	<b>(4,720)</b>	<b>1,060</b>	<b>nm</b>
Interest income	162	165	(2)
Interest expenses	(862)	(943)	(9)
	(5,420)	282	nm
Foreign exchange gain	326	985	(67)
Share of results of associates/ joint venture, net of tax	150	(221)	nm
<b>(LOSS) / PROFIT BEFORE TAXATION</b>	<b>(4,944)</b>	<b>1,046</b>	<b>nm</b>
Taxation	(27)	(714)	(96)
<b>NET (LOSS) / PROFIT FOR THE FINANCIAL PERIOD</b>	<b>(4,971)</b>	<b>332</b>	<b>nm</b>
<b>(Loss) / Profit attributable to:</b>			
<b>Owners of the parent</b>			
(Loss) / Profit before exceptional items	(4,870)	417	nm
Non-controlling interests	(101)	(85)	19
	(4,971)	332	nm
<b>OPERATING (LOSS) / PROFIT IS STATED AFTER CHARGING/(CREDITING):-</b>			
(Gain) / Loss on disposal of furniture, fixtures and equipment	(2)	17	
(Reversal of allowance) / Allowance for doubtful debts and bad debts written off	(653)	51	
Allowance for inventory obsolescence and inventories written off	2,085	1,674	
Reversal of allowance for inventory obsolescence	(313)	(12)	

nm - not meaningful



**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-Mar-14 \$'000	30-Jun-13 \$'000	31-Mar-14 \$'000	30-Jun-13 \$'000
<b>NON-CURRENT ASSETS</b>				
Property, furniture, fixtures and equipment	28,583	27,139	547	786
Goodwill	559	559	-	-
Subsidiaries	-	-	95,498	116,686
Investment in associates/ joint venture	20,479	26,666	-	-
Investment securities	-	86	-	86
Other receivables	260	260	-	-
Deferred tax assets	935	1,128	-	-
	<u>50,816</u>	<u>55,838</u>	<u>96,045</u>	<u>117,558</u>
<b>CURRENT ASSETS</b>				
Non-current assets held for sale (Note)	1,877	-	-	-
Inventories	98,504	117,694	-	-
Investment securities	3,666	4,261	-	-
External trade debtors	9,029	12,973	-	-
Trade debts due from related companies	66,298	51,793	-	-
Tax recoverable	4,298	3,515	-	-
Other debtors	28,399	20,859	68,012	48,322
Cash on hand and at banks	13,350	9,671	1,710	3,676
	<u>225,421</u>	<u>220,766</u>	<u>69,722</u>	<u>51,998</u>
<b>CURRENT LIABILITIES</b>				
Trade and other creditors	58,209	61,000	2,420	2,529
Finance lease creditors	165	163	130	127
Bank borrowings	83,944	73,734	-	-
Provision for taxation	1,149	3,035	359	476
	<u>143,467</u>	<u>137,932</u>	<u>2,909</u>	<u>3,132</u>
<b>NET CURRENT ASSETS</b>	<b>81,954</b>	<b>82,834</b>	<b>66,813</b>	<b>48,866</b>
<b>NON-CURRENT LIABILITIES</b>				
Finance lease creditors	479	602	425	522
Bank borrowings	8,000	4,500	-	-
Other liabilities	2,639	2,603	-	-
Deferred tax liabilities	240	430	-	-
	<u>11,358</u>	<u>8,135</u>	<u>425</u>	<u>522</u>
<b>NET ASSETS</b>	<b>121,412</b>	<b>130,537</b>	<b>162,433</b>	<b>165,902</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>				
Share capital	165,447	165,447	165,447	165,447
Exchange translation reserve	(25,429)	(23,273)	-	-
Accumulated (losses) / profit	(17,600)	(10,868)	(3,014)	455
	<u>122,418</u>	<u>131,306</u>	<u>162,433</u>	<u>165,902</u>
Non-controlling interests	(1,130)	(893)	-	-
Preference shares issued by a subsidiary	124	124	-	-
	<u>121,412</u>	<u>130,537</u>	<u>162,433</u>	<u>165,902</u>
	-	-	-	-

Note: The Company's Hong Kong subsidiary has entered into a negotiation to sell one unit of its properties in July 2014 and a preliminary sales and purchase agreement has been entered into on 8th April 2014. This asset has been reclassified to current asset accordingly.

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

	-----GROUP-----	
	31-Mar-14	30-Jun-13
	\$'000	\$'000
Amount repayable in one year or less, or on demand - unsecured	84,109	73,897
Amount repayable after one year - unsecured	8,479	5,102
Total borrowings	92,588	78,999
Cash on hand and at banks	(13,350)	(9,671)
Net borrowings	79,238	69,328

**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-----	
	3Q14	3Q13
	\$'000	\$'000
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
(Loss) / Profit before taxation	(4,944)	1,046
Adjustments for:		
Depreciation of property, furniture, fixtures and equipment	2,194	2,163
Depreciation of investment properties	-	27
Share of results of associates/ joint venture, net of tax	(150)	221
Currency realignment	733	(3)
(Gain) / Loss on disposal of furniture, fixtures and equipment	(2)	17
Allowance for inventory obsolescence and inventories written off	1,772	1,662
(Reversal of allowance) / Allowance for doubtful debts and bad debts written off	(653)	51
Interest income	(162)	(165)
Interest expense	862	943
<b>OPERATING (LOSS) / PROFIT BEFORE REINVESTMENT IN WORKING CAPITAL</b>	<b>(350)</b>	<b>5,962</b>
Decrease / (Increase) in debtors	1,136	(840)
Decrease in stocks	25,554	1,631
Decrease in creditors	(13,319)	(13,811)
<b>CASH FROM / (USED IN) OPERATIONS</b>	<b>13,021</b>	<b>(7,058)</b>
Income tax paid	(262)	(1,533)
<b>NET CASH FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>12,759</b>	<b>(8,591)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of furniture, fixtures and equipment	(3,264)	(1,857)
Proceeds from disposal of property, furniture, fixtures and equipment	285	-
Interest received	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(2,979)</b>	<b>(1,857)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Net proceeds from bank borrowings	(1,609)	(83)
Repayment of obligations under finance lease	(39)	(46)
Interest paid	(846)	(943)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(2,494)</b>	<b>(1,072)</b>
Net increase / (decrease) in cash and cash equivalents	7,286	(11,520)
Cash and cash equivalents at beginning of the financial period	(4,310)	20,135
Net effect of exchange rate changes on opening cash and cash equivalents	(20)	67
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>2,956</b>	<b>8,682</b>
Cash and cash equivalents comprise the following:		
Cash and bank balances	13,350	14,858
Bank overdrafts	(10,394)	(6,176)
	2,956	8,682

**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	Exchange Translation Reserve \$'000	(Accumulated Losses) / Retained Earnings \$'000	Non-controlling interests \$'000	Preference shares issued by a subsidiary \$'000	Total Equity \$'000
<b><u>GROUP</u></b>						
At 1 January 2014	165,447	(26,278)	(12,730)	(1,027)	124	125,536
Loss for the financial period	-	-	(4,870)	(101)	-	(4,971)
<u>Other comprehensive income</u>						
Item that may be reclassified subsequently to profit or loss:						
Foreign currency translation	-	849	-	(2)	-	847
Total comprehensive loss for the financial period	-	849	(4,870)	(103)	-	(4,124)
At 31 March 2014	165,447	(25,429)	(17,600)	(1,130)	124	121,412
At 1 January 2013	165,447	(23,957)	(11,686)	(637)	124	129,291
Profit for the financial period	-	-	417	(85)	-	332
<u>Other comprehensive income</u>						
Item that may be reclassified subsequently to profit or loss:						
Foreign currency translation	-	175	-	(5)	-	170
Total comprehensive income for the financial period	-	175	417	(90)	-	502
At 31 March 2013	165,447	(23,782)	(11,269)	(727)	124	129,793
<b><u>COMPANY</u></b>						
At 1 January 2014	165,447	-	(3,035)	-	-	162,412
Total comprehensive gain for the financial period	-	-	21	-	-	21
At 31 March 2014	165,447	-	(3,014)	-	-	162,433
At 1 January 2013	165,447	-	(6,887)	-	-	158,560
Total comprehensive gain for the financial period	-	-	410	-	-	410
At 31 March 2013	165,447	-	(6,477)	-	-	158,970

**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, if any, against the total number of issued shares excluding treasury shares 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 March 2014 and 31 March 2013, 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 March 2014: 568,709,857

As at 30 June 2013: 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.

**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 relevant to its operations and effective for the financial period beginning on or after 1 Jan 2013.

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 period or prior periods.

**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	
	3Q14	3Q13
(a) Basic (cents)	(0.86)	0.07
(b) Diluted (cents)	(0.86)	0.07

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 (3Q13: 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)	21.53	28.56
(b) immediately preceding financial year (cents)	23.09	29.17

- 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 Third Quarter Ended 31 March 2014 (3Q14)**

Group revenue decreased marginally by 2% to \$90.3 million from \$92.6 million, gross margins declined significantly from 44% in previous corresponding period to 39% in this reporting period. This resulted in a drop of \$5.7 million in gross profit. Net loss after tax was \$5.0 million compared to net profit of \$332,000 in same period last year.

Retail sales in February suffered as Chinese New Year in late January this year was relatively close to the year-end festive period to sustain holiday spending. The Singapore Government statistics showed retail sales dropped a sharp 9.5% in February over the previous year. Lower spending by Indonesian tourists as a result of the depreciation of the rupiah against the Singapore dollar, also contributed to the dismal performance. China's economic slow down and curbs on luxury spending continued to suppress sales of luxury watches in North Asia.

This is the first quarterly loss for the Group since the 2008/09 global financial crisis. Singapore, a key market, was particularly hard hit by aggressive industry-wide discounting, escalating rentals and manpower shortages.

Group operating expenses was at \$43.6 million compared to \$41.6 million in 3Q13 with cost-to-revenue ratio at 48.2% compared to 44.9% in the same period last year.

Group turnover from the fashion business rose 1% to \$67.0 million but the timepiece business decreased by 11% to \$23.2 million.

In Southeast Asia, the fashion business increased by 5% while the timepiece business decreased by 10%.

In North Asia, the timepiece business in Hong Kong and China was flat.

Indonesia continued to see growth with domestic sales rising by 9% while maintaining constant gross margin as upward revision was made to the retail pricing due to the currency devaluation.

Group net gearing stood at 65% as at 31 March 2014. Net cash generated from operating activities was \$12.8 million compared to net cash used in operating activities of \$8.6 million in 3Q13.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement was made on the Group's third quarter results.

**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 Group expects the outlook for its businesses in Singapore and North Asia to remain challenging. In Singapore, it is taking steps to close under-performing stores. It expects sustainable growth for its businesses in Indonesia and Malaysia.

Management will continue its effort to grow its revenue and strengthen its balance sheet by improving operating cash flow, reducing bank borrowings while managing inventory more efficiently.



**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 March 2014 to be false or misleading.

**15. Full year results for financial year ending 30 June 2014**

The Company expects to announce its full year results ending 30 June 2014 in the week of 18th August 2014.

**BY ORDER OF THE BOARD**

Karen Chong Mee Keng  
Company Secretary  
9 May 2014