

**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 second quarter ended 31 December 2013 (2Q14)

	-----GROUP-----		Change %
	2Q14 \$'000	2Q13 \$'000	
Turnover	104,606	96,909	8
Cost of goods sold	(65,076)	(55,388)	17
Gross Profit	39,530	41,521	(5)
Other income	3,002	2,383	26
Staff costs	(13,900)	(13,765)	1
Rental of premises	(15,132)	(13,858)	9
Advertising and promotion	(3,071)	(4,511)	(32)
Depreciation of property, furniture, fixtures and equipment	(2,360)	(1,910)	24
Depreciation of investment properties	-	(24)	(100)
Other operating expenses	(5,514)	(7,962)	(31)
<b>OPERATING PROFIT</b>	<b>2,555</b>	<b>1,874</b>	<b>36</b>
Interest income	169	169	-
Interest expenses	(909)	(830)	10
	1,815	1,213	50
Exceptional items	-	920	(100)
Foreign exchange loss	(1,024)	(813)	26
Share of results of associates/ joint venture, net of tax	151	335	(55)
<b>PROFIT BEFORE TAXATION</b>	<b>942</b>	<b>1,655</b>	<b>(43)</b>
Taxation	(411)	(515)	(20)
<b>NET PROFIT FOR THE FINANCIAL PERIOD</b>	<b>531</b>	<b>1,140</b>	<b>(53)</b>
Profit attributable to:			
Owners of the parent			
Profit before exceptional items	586	389	51
Exceptional items	-	920	(100)
	586	1,309	(55)
Non-controlling interests	(55)	(169)	(67)
	531	1,140	(53)
<b>OPERATING PROFIT IS STATED AFTER CHARGING/(CREDITING):-</b>			
Gain on sale of one unit of leasehold property	-	(920)	
Loss on disposal of furniture, fixtures and equipment	166	52	
Allowance for doubtful debts and bad debts written off	43	5	
(Writeback of)/Allowance for inventory obsolescence and inventories written off	(2,033)	596	
Reversal of allowance for inventory obsolescence	(638)	(657)	
Provision for impairment loss on investment securities	-	2	

nm - not meaningful

**1(aii) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
**Profit for the financial period**
**Other comprehensive loss**

Item that may be reclassified subsequently to profit or loss:

Foreign currency translation

**Total comprehensive income for the financial period**
**Total comprehensive income attributable to:**

Owners of the parent

Non-controlling interests

GROUP		
2Q14	2Q13	Change
\$'000	\$'000	%
531	1,140	-53%
(418)	(157)	166%
<b>113</b>	<b>983</b>	<b>-89%</b>

185 1,159 -84%

(72) (176) -59%

**113 983 -89%**

**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-13 \$'000	30-Jun-13 \$'000	31-Dec-13 \$'000	30-Jun-13 \$'000
<b>NON-CURRENT ASSETS</b>				
Property, furniture, fixtures and equipment	29,717	27,139	623	786
Goodwill	559	559	-	-
Subsidiaries	-	-	106,921	116,686
Investment in associates/ joint venture	20,165	26,666	-	-
Investment securities	-	86	-	86
Other receivables	260	260	-	-
Deferred tax assets	937	1,128	-	-
	<u>51,638</u>	<u>55,838</u>	<u>107,544</u>	<u>117,558</u>
<b>CURRENT ASSETS</b>				
Inventories	125,830	117,694	-	-
Investment securities	3,666	4,261	-	-
External trade debtors	12,548	12,973	-	-
Trade debts due from related companies	62,482	51,793	-	-
Tax recoverable	4,160	3,515	-	-
Other debtors	29,104	20,859	58,289	48,322
Cash on hand and at banks	6,568	9,671	111	3,676
	<u>244,358</u>	<u>220,766</u>	<u>58,400</u>	<u>51,998</u>
<b>CURRENT LIABILITIES</b>				
Trade and other creditors	71,520	61,000	2,346	2,529
Finance lease creditors	163	163	129	127
Bank borrowings	80,537	73,734	-	-
Provision for taxation	1,352	3,035	600	476
	<u>153,572</u>	<u>137,932</u>	<u>3,075</u>	<u>3,132</u>
<b>NET CURRENT ASSETS</b>	<b>90,786</b>	<b>82,834</b>	<b>55,325</b>	<b>48,866</b>
<b>NON-CURRENT LIABILITIES</b>				
Finance lease creditors	520	602	457	522
Bank borrowings	13,500	4,500	-	-
Other liabilities	2,628	2,603	-	-
Deferred tax liabilities	240	430	-	-
	<u>16,888</u>	<u>8,135</u>	<u>457</u>	<u>522</u>
<b>NET ASSETS</b>	<b>125,536</b>	<b>130,537</b>	<b>162,412</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	(26,278)	(23,273)	-	-
Accumulated (losses) / profit	(12,730)	(10,868)	(3,035)	455
	<u>126,439</u>	<u>131,306</u>	<u>162,412</u>	<u>165,902</u>
Non-controlling interests	(1,027)	(893)	-	-
Preference shares issued by a subsidiary	124	124	-	-
	<u>125,536</u>	<u>130,537</u>	<u>162,412</u>	<u>165,902</u>

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

	-----GROUP-----	
	31-Dec-13	30-Jun-13
	\$'000	\$'000
Amount repayable in one year or less, or on demand - unsecured	80,700	73,897
Amount repayable after one year - unsecured	14,020	5,102
Total borrowings	94,720	78,999
Cash on hand and at banks	(6,568)	(9,671)
Net borrowings	88,152	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-----	
	2Q14	2Q13
	\$'000	\$'000
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before taxation	942	1,655
Adjustments for:		
Depreciation of property, furniture, fixtures and equipment	2,360	1,910
Depreciation of investment properties	-	24
Share of results of associates/ joint venture, net of tax	(151)	(335)
Currency realignment	(551)	(152)
Loss on disposal of furniture, fixtures and equipment	166	52
Gain on sale of one unit of leasehold property	-	(920)
Provision for impairment loss on investment securities	-	2
Writeback of inventory obsolescence and inventories written off	(2,671)	-
Allowance for doubtful debts and bad debts written off	43	5
Interest income	(169)	(169)
Interest expense	909	830
<b>OPERATING PROFIT BEFORE REINVESTMENT IN WORKING CAPITAL</b>	<b>878</b>	<b>2,902</b>
(Increase)/Decrease in debtors	(2,872)	2,392
Increase in stocks	(1,162)	(7,584)
(Decrease)/Increase in creditors	(180)	11,946
<b>CASH (USED IN)/FROM OPERATIONS</b>	<b>(3,336)</b>	<b>9,656</b>
Income tax paid	(3,206)	(2,968)
<b>NET CASH (USED IN)/FROM OPERATING ACTIVITIES</b>	<b>(6,542)</b>	<b>6,688</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of furniture, fixtures and equipment	(4,522)	(4,116)
Proceeds from disposal of property, furniture, fixtures and equipment	283	3,075
Interest received	1	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(4,238)</b>	<b>(1,041)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Net proceeds from bank borrowings	10,546	10,029
Repayment of obligations under finance lease	(42)	(42)
Interest paid	(893)	(830)
Dividends paid to shareholders	(2,844)	(5,687)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>6,767</b>	<b>3,470</b>
Net (decrease)/increase in cash and cash equivalents	(4,013)	9,117
Cash and cash equivalents at beginning of the financial period	(310)	11,007
Net effect of exchange rate changes on opening cash and cash equivalents	13	11
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>(4,310)</b>	<b>20,135</b>
Cash and cash equivalents comprise the following:		
Cash and bank balances	6,568	26,045
Bank overdrafts	(10,878)	(5,910)
	(4,310)	20,135

**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>GROUP</b>						
At 1 October 2013	165,447	(25,877)	(10,472)	(955)	124	128,267
Profit for the financial period	-	-	586	(55)	-	531
<u>Other comprehensive income</u>						
Item that may be reclassified subsequently to profit or loss:						
Foreign currency translation	-	(401)	-	(17)	-	(418)
Total comprehensive income for the financial period	-	(401)	586	(72)	-	113
Dividends paid	-	-	(2,844)	-	-	(2,844)
At 31 December 2013	165,447	(26,278)	(12,730)	(1,027)	124	125,536
At 1 October 2012	165,447	(23,807)	(7,309)	(461)	124	133,994
Profit for the financial period	-	-	1,309	(169)	-	1,140
<u>Other comprehensive income</u>						
Item that may be reclassified subsequently to profit or loss:						
Foreign currency translation	-	(150)	-	(7)	-	(157)
Total comprehensive income for the financial period	-	(150)	1,309	(176)	-	983
Dividends paid	-	-	(5,686)	-	-	(5,686)
At 31 December 2012	165,447	(23,957)	(11,686)	(637)	124	129,291
<b>COMPANY</b>						
At 1 October 2013	165,447	-	455	-	-	165,902
Total comprehensive loss for the financial period	-	-	(646)	-	-	(646)
Dividends paid	-	-	(2,844)	-	-	(2,844)
At 31 December 2013	165,447	-	(3,035)	-	-	162,412
At 1 October 2012	165,447	-	(887)	-	-	164,560
Total comprehensive loss for the financial period	-	-	(314)	-	-	(314)
Dividends paid	-	-	(5,686)	-	-	(5,686)
At 31 December 2012	165,447	-	(6,887)	-	-	158,560

**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 December 2013 and 31 December 2012, 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 December 2013: 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	
	2Q14	2Q13
(a) Basic (cents)	0.10	0.23
(b) Diluted (cents)	0.10	0.23

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 (2Q13: 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)	22.23	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 Second Quarter Ended 31 December 2013 (2Q14)**

While group revenue increased by 8% to \$104.6 million from \$96.9 million in 2Q13, this was driven by aggressive promotions and discounting. As a result, gross margins declined to 38% from 43% in the same period last year. Profitability in Singapore and Malaysia were hurt by widespread retail clearance ahead and during the Christmas and year-end holiday season. Number of shoppers in Singapore stores was generally down, partly due to the devaluations of the rupiah and ringgit which reduced spending by Indonesian and Malaysian tourists.

Net profit after tax was \$0.5 million compared to \$1.1 million in 2Q13. Excluding the exceptional gain of \$920,000 due to sale of one unit of leasehold property in Hong Kong in 2Q13, net profit for 2Q13 was lower at \$0.2 million compared to \$0.5 million this quarter. Operating profit was \$2.6 million compared to \$1.9 million in same period last year.

Group operating expenses was at \$40.0 million compared to \$42.0 million in 2Q13 with cost-to-revenue ratio at 38.2% compared to 43.4% in the same period last year.

Group turnover from the fashion business rose 13% to \$76.6 million but the timepiece business decreased by 4% to \$27.7 million.

In Southeast Asia, the fashion business grew by 10% with increases coming from new stores opened and comparative store growth for some brands. The timepiece business grew by 22% boosted by increased shipments to Indonesia.

In North Asia, the timepiece business in Hong Kong and China fell 34% and 20% respectively. The slowdown in demand for luxury timepieces in China and reduced tourist spending by mainland Chinese visitors in Hong Kong were main factors behind the lower sales.

Indonesia continued to see growth with domestic sales rising by 15%. Gross margin was maintained as upward revision was made to the retail pricing due to the currency devaluation.

Group net gearing stood at 70% as at 31 December 2013 compared to 53% as at 30 June 2013 as it incurred higher operational cash outflow coupled with increased capital expenditure in the luxury brand sector.

**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 second 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 continues to selectively invest in brands and a TOM FORD flagship is scheduled to be opened in April in Marina Bay Sands. A flagship store will be opened in Indonesia in 2015. Another Celine store and a Givenchy store in Marina Bay Sands are scheduled to be opened in February.

Being mindful of the challenging economic outlook, the Group will increase its efforts to improve productivity, sales and manage its business risks.



**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/recommended, 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 2013 to be false or misleading.

**15. Third quarter results for financial year ending 31 March 2014**

The Company expects to announce its third quarter results ending 31 March 2014 in the week of 5th May 2014.

**BY ORDER OF THE BOARD**

Karen Chong Mee Keng  
Company Secretary  
6 February 2014