

PART 1 - 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 second quarter ended 31 December 2015 (2Q16)

	-----GROUP-----		Change %
	2Q16 \$'000	2Q15 \$'000	
Turnover	70,894	87,087	(19)
Cost of goods sold	(43,952)	(52,463)	(16)
Gross Profit	26,942	34,624	(22)
Other income, net			
- recurring	553	345	60
-non-recurring	-	6,143	(100) (see note *)
Staff costs	(9,262)	(12,182)	(24)
Rental of premises	(10,970)	(14,509)	(24)
Advertising and promotion	(1,699)	(2,861)	(41)
Depreciation of property, furniture, fixtures and equipment	(1,395)	(2,207)	(37)
Other operating expenses	(7,251)	(7,994)	(9)
OPERATING (LOSS)/PROFIT	(3,082)	1,359	nm
Interest expenses	(672)	(772)	(13)
	(3,754)	587	nm
Foreign exchange loss	(32)	(185)	(83)
Share of results of associates, net of tax	115	853	(87)
(LOSS)/PROFIT BEFORE TAXATION	(3,671)	1,255	nm
Taxation	(28)	(47)	(40)
NET (LOSS)/PROFIT FOR THE FINANCIAL PERIOD	(3,699)	1,208	nm
(Loss)/Profit attributable to:			
Equity holders of the Company	(3,699)	1,244	nm
Non-controlling interests	-	(36)	(100)
	(3,699)	1,208	nm
UNDERLYING LOSS #	(1,647)	(4,935)	(67)

Excluding stores and businesses that were closed and non-recurring gain

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

(Gain)/Loss on disposal of furniture, fixtures and equipment	(26)	185
Gain on disposal of associated company	(103)	-
Allowance for doubtful debts and bad debts written off	-	15
Allowance for inventory obsolescence	821	1,440
Reversal of allowance for inventory obsolescence	(226)	(691)
* Gain on partial sale of mandatory convertible bonds	-	(6,143)
Provision for impairment loss on investment securities	-	311
	-	311

nm - not meaningful

1(aii) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Loss)/Profit for the financial period

Other comprehensive gain/(loss)

Item that may be reclassified subsequently to profit or loss:

Foreign currency translation

Total comprehensive (loss)/income for the financial period

Total comprehensive (loss)/income attributable to:

Equity holders of the Company

Non-controlling interests

GROUP		
2Q16	2Q15	Change
\$'000	\$'000	%
(3,699)	1,208	nm
1,000	(1,104)	nm
(2,699)	104	nm

(2,699)	176	nm
-	(72)	-100%
(2,699)	104	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-15 \$'000	30-Jun-15 \$'000	31-Dec-15 \$'000	30-Jun-15 \$'000
NON-CURRENT ASSETS				
Property, furniture, fixtures and equipment	13,853	15,080	122	242
Goodwill	-	-	-	-
Subsidiaries	-	-	81,917	80,851
Investment in associates	6,298	8,638	-	-
Mandatory convertible bonds	29,862	29,862	-	-
Other receivables	1,263	1,631	-	-
Deferred tax assets	1,018	1,006	-	-
	<u>52,294</u>	<u>56,217</u>	<u>82,039</u>	<u>81,093</u>
CURRENT ASSETS				
Inventories	69,942	74,257	-	-
Investment securities	167	1,642	-	-
External trade debtors	6,916	5,959	-	-
Trade debts due from related companies	31,880	25,879	-	-
Tax recoverable	1,346	3,025	-	-
Other debtors	16,396	18,106	34,681	31,564
Cash on hand and at banks	2,746	5,555	119	3,545
	<u>129,393</u>	<u>134,423</u>	<u>34,800</u>	<u>35,109</u>
CURRENT LIABILITIES				
Trade and other creditors	54,911	51,366	1,903	1,840
Finance lease creditors	164	171	164	137
Bank borrowings	51,370	50,685	-	-
Provision for taxation	9	43	9	-
	<u>106,454</u>	<u>102,265</u>	<u>2,076</u>	<u>1,977</u>
NET CURRENT ASSETS	22,939	32,158	32,724	33,132
NON-CURRENT LIABILITIES				
Finance lease creditors	182	263	182	253
Bank borrowings	-	500	-	-
Other liabilities	25	2,616	-	-
Deferred tax liabilities	40	40	-	-
	<u>247</u>	<u>3,419</u>	<u>182</u>	<u>253</u>
NET ASSETS	74,986	84,956	114,581	113,972
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY				
Share capital	165,447	165,447	165,447	165,447
Exchange translation reserve	(27,071)	(26,267)	-	-
Accumulated losses	(63,390)	(54,224)	(50,866)	(51,475)
	<u>74,986</u>	<u>84,956</u>	<u>114,581</u>	<u>113,972</u>

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

	-----GROUP-----	
	31-Dec-15	30-Jun-15
	\$'000	\$'000
Amount repayable in one year or less, or on demand - unsecured	51,534	50,856
Amount repayable after one year - unsecured	182	763
Total borrowings	51,716	51,619
Cash on hand and at banks	(2,746)	(5,555)
Net borrowings	48,970	46,064

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-----	
	2Q16	2Q15
	\$'000	\$'000
CASH FLOW FROM OPERATING ACTIVITIES:		
(Loss)/Profit before taxation	(3,671)	1,255
Adjustments for:		
Depreciation of property, furniture, fixtures and equipment	1,395	2,207
Share of results of associates/ joint venture, net of tax	(115)	(853)
Currency realignment	1,038	(1,086)
Gain on disposal of leasehold property, furniture, fixtures and equipment	(26)	185
Gain on partial sale of mandatory convertible bonds	-	(6,143)
Provision for impairment loss on investment securities	-	311
Allowance for inventory obsolescence	595	749
Allowance for doubtful debts and bad debts written off	-	15
Gain on disposal of associated company	(103)	-
Interest income	(56)	(483)
Investment income	(163)	-
Interest expense	672	772
OPERATING LOSS BEFORE REINVESTMENT IN WORKING CAPITAL	(434)	(3,071)
(Increase)/decrease in debtors	(2,582)	927
Decrease in stocks	4,846	6,003
Increase in creditors	5,242	4,207
CASH FROM OPERATIONS	7,072	8,066
Income tax paid	(568)	(1,200)
NET CASH FROM OPERATING ACTIVITIES	6,504	6,866
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of furniture, fixtures and equipment	(1,144)	(1,964)
Proceeds from disposal of property, furniture, fixtures and equipment	83	135
Proceeds from investment securities (net)	1	-
Purchase of investment securities	-	(316)
Interest received	-	1
NET CASH USED IN INVESTING ACTIVITIES	(1,060)	(2,144)
CASH FLOW FROM FINANCING ACTIVITIES:		
Net repayments from bank borrowings	(6,568)	(1,771)
Repayment of obligations under finance lease	(44)	(41)
Interest paid	(679)	(770)
Dividends paid to shareholders	-	(1,422)
NET CASH USED IN FINANCING ACTIVITIES	(7,291)	(4,004)
Net (decrease)/increase in cash and cash equivalents	(1,847)	718
Cash and cash equivalents at beginning of the financial period	(6,597)	(7,725)
Net effect of exchange rate changes on opening cash and cash equivalents	(81)	1
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	(8,525)	(7,006)
Cash and cash equivalents comprise the following:		
Cash and bank balances	2,746	5,788
Bank overdrafts	(11,271)	(12,794)
	(8,525)	(7,006)

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	Total Equity \$'000
GROUP					
At 1 October 2015	165,447	(28,071)	(59,691)	-	77,685
Loss for the period	-	-	(3,699)	-	(3,699)
<u>Other comprehensive gain/(loss)</u>					
Item that may be reclassified subsequently to profit or loss:					
Foreign currency translation	-	1,000	-	-	1,000
Total comprehensive loss for the period	-	1,000	(3,699)	-	(2,699)
At 31 December 2015	165,447	(27,071)	(63,390)	-	74,986
At 1 October 2014	165,447	(26,462)	(34,707)	(971)	103,307
Profit for the period	-	-	1,244	(36)	1,208
<u>Other comprehensive gain/(loss)</u>					
Item that may be reclassified subsequently to profit or loss:					
Foreign currency translation	-	(1,068)	-	(36)	(1,104)
Total comprehensive income for the period	-	(1,068)	1,244	(72)	104
Dividends paid	-	-	(1,422)	-	(1,422)
At 31 December 2014	165,447	(27,530)	(34,885)	(1,043)	101,989
COMPANY					
At 1 October 2015	165,447	-	(50,492)	-	114,955
Total comprehensive loss for the financial period	-	-	(374)	-	(374)
At 31 December 2015	165,447	-	(50,866)	-	114,581
At 1 October 2014	165,447	-	5,394	-	170,841
Total comprehensive income for the financial period	-	-	1,005	-	1,005
Dividends paid	-	-	(1,422)	-	(1,422)
At 31 December 2014	165,447	-	4,977	-	170,424

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 2015 and 31 December 2014, 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 2015: 568,709,857

As at 30 June 2015: 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 2015.

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	
	2Q16	2Q15
(a) Basic (cents)	(0.65)	0.22
(b) Diluted (cents)	(0.65)	0.22

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 (2Q15: 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)	13.19	20.15
(b) immediately preceding financial year (cents)	14.94	20.04

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 2015 (2Q16)

Group turnover for the quarter decreased by \$16.2 million, a 19% decrease to \$70.9 million compared to previous corresponding quarter. Closure of non-performing stores, rationalisation of businesses and the weakening Malaysian currency contributed to \$17.2 million drop in revenue. Excluding the revenue from the closed stores and discontinued businesses, sales from continuing businesses grew \$1.0 million over the previous corresponding quarter. Gross profit margin decreased by 1.8 percentage points year-on-year from 39.8% to 38.0% in this reported quarter. This was attributable to increased promotional activities primarily in Malaysia.

Group operating loss was \$3.1 million compared to operating profit of \$1.4 million in previous corresponding period which included a one-time gain from sale of mandatory convertible bonds of \$6.1 million in 2Q15. Of this operating loss, \$2.1 million was attributable to the stores and businesses that were closed. Excluding the one-time gain in 2Q15, the Group's underlying loss was reduced by 67% from \$4.9 million in 2Q15 to \$1.6 million in this reported quarter.

With Group operating expenses decreasing by \$9.2 million (23%), the Group's cost-to-revenue ratio improved from 46% in 2Q15 to 43% in this reported quarter. This was a result of the actions taken by Group to focus on productivity by right-sizing some stores and closing underperforming stores. Group net loss after tax was at \$3.7 million.

Consumer sentiment for the period weakened further with the continued and slowing economies in the region and increased currency volatility. This was further exacerbated by the decline in tourist arrivals into Singapore from Malaysia, Indonesia and China.

Group's turnover from the fashion business decreased by 21% to \$55.0 million and revenue from the timepiece business decreased by 10% to \$15.9 million.

In Southeast Asia, the fashion business (excluding purchases by the Indonesian associate, discontinued brands and adjusting for the weakening of the Malaysian ringgit of \$4.4 million), decreased by 1% while the timepiece business decreased by 21%. Sales to the Indonesian associate increased by 3% for the quarter. However the associate's own sales in the domestic market decreased by 3% due to weaker consumer sentiment in Indonesia.

(ii) Balance Sheet

Inventory holdings decreased by 6% to \$70.0 million from \$74.3 million in June 2015. Comparing to same seasonal period as at December 2014, inventory holdings were lowered by \$15.4 million.

Net borrowings was \$49.0 million from \$46.1 million as at 30 June 2015 due to increased financing of purchases for the festive seasons. Net gearing stood at 65%.

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

While the weak economic outlook weighs heavily on the retail businesses in general, the Group, having taken major steps over the last two years to rationalize its businesses, believes that it is better positioned now to weather these difficult times. Advantages to be gained by the Group's actions will begin to be felt in future periods.

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 2015 to be false or misleading.

15. Third quarter results for financial year ending 31 March 2016

The Company expects to announce its third quarter results ending 31 March 2016 in the week of 9th May 2016.

BY ORDER OF THE BOARD

Karen Chong Mee Keng
Company Secretary
12 February 2016