

**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 2012 (2Q13).

	-----GROUP-----		
	2Q13	2Q12	
	\$'000	\$'000	%
Turnover	96,909	109,929	(12)
Cost of goods sold	(55,388)	(63,819)	(13)
Gross Profit	41,521	46,110	(10)
Other income	2,383	3,011	(21)
Staff costs	(13,765)	(14,858)	(7)
Rental of premises	(13,858)	(12,367)	12
Advertising and promotion	(4,511)	(6,660)	(32)
Depreciation of property, furniture, fixtures and equipment	(1,910)	(1,623)	18
Depreciation of investment properties	(24)	(29)	(17)
Other operating expenses	(7,962)	(9,067)	(12)
OPERATING PROFIT	1,874	4,517	(59)
Interest income	169	261	(35)
Interest expenses	(830)	(796)	4
	1,213	3,982	(70)
Exceptional item	920	-	n.m.
Foreign exchange (loss)/gain	(813)	2,184	n.m.
Share of results of associates / joint venture, net of tax	335	247	36
PROFIT BEFORE TAXATION	1,655	6,413	(74)
Taxation	(515)	(1,774)	(71)
NET PROFIT FOR THE FINANCIAL PERIOD	1,140	4,639	(75)
Profit attributable to:			
Owners of the parent	1,309	4,765	
Non-controlling interests	(169)	(126)	
	1,140	4,639	

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

Loss/(Gain) on disposal of furniture, fixtures and equipment	52	(69)
Gain on sale of one unit of leasehold property	(920)	-
Bad debts written off	5	-
Allowance for stocks obsolescence and stocks written off	596	1,243
Reversal of allowance for stocks obsolescence	(657)	(588)
Provision/(Write back) of impairment loss on other investment	2	(10)

nm - not meaningful

1(aii) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit for the period

Other comprehensive income

Net translation differences relating to translation of financial statement and monetary items of investment of foreign subsidiaries

Total comprehensive income for the period

Total comprehensive income attributable to:

Equity holders of the Company

Non-controlling interests

GROUP		
2Q13	2Q12	Change
\$'000	\$'000	%
1,140	4,639	(75)
(157)	(125)	26
983	4,514	(78)

1,159	4,620	(75)
(176)	(106)	66
983	4,514	(78)

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-12 \$'000	30-Jun-12 \$'000	31-Dec-12 \$'000	30-Jun-12 \$'000
NON-CURRENT ASSETS				
Property, furniture, fixtures and equipment	25,228	26,598	1,024	1,425
Investment properties	5,278	5,151	-	-
Goodwill	559	559	-	-
Subsidiaries	-	-	82,728	117,114
Investment in associates / joint venture	13,022	12,163	-	-
Loan to joint venture partner	16,500	16,500	-	-
Other investments	86	88	86	88
Other receivables	260	260	-	-
Deferred tax assets	605	601	-	-
	<u>61,538</u>	<u>61,920</u>	<u>83,838</u>	<u>118,627</u>
CURRENT ASSETS				
Inventories	117,302	110,445	-	-
External trade debtors	19,635	17,691	-	-
Trade debts due from related companies	40,483	41,174	-	-
Tax recoverable	3,475	2,164	-	-
Other debtors	22,098	23,763	63,069	140,837
Cash on hand and at banks	26,045	14,703	16,959	4,383
	<u>229,038</u>	<u>209,940</u>	<u>80,028</u>	<u>145,220</u>
CURRENT LIABILITIES				
Trade and other creditors	70,213	64,754	4,034	96,755
Finance lease creditors	258	285	122	122
Bank borrowings	79,021	59,374	-	-
Provision for taxation	2,612	3,585	561	517
	<u>152,104</u>	<u>127,998</u>	<u>4,717</u>	<u>97,394</u>
NET CURRENT ASSETS	76,934	81,942	75,311	47,826
NON-CURRENT LIABILITIES				
Finance lease creditors	592	652	589	649
Bank borrowings	5,500	6,500	-	-
Other liabilities	2,596	2,593	-	-
Deferred tax liabilities	493	510	-	-
	<u>9,181</u>	<u>10,255</u>	<u>589</u>	<u>649</u>
NET ASSETS	129,291	133,607	158,560	165,804
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY				
Share capital	165,447	165,447	165,447	165,447
Exchange translation reserve	(23,957)	(21,868)	-	-
Accumulated losses / profit	(11,686)	(9,628)	(6,887)	357
	<u>129,804</u>	<u>133,951</u>	<u>158,560</u>	<u>165,804</u>
Non-controlling interests	(637)	(468)	-	-
Preference shares issued by a subsidiary	124	124	-	-
	<u>129,291</u>	<u>133,607</u>	<u>158,560</u>	<u>165,804</u>
	-	-	-	-

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

	-----GROUP-----	
	31-Dec-12	30-Jun-12
	\$'000	\$'000
Amount repayable in one year or less, or on demand - unsecured	79,279	59,659
Amount repayable after one year - unsecured	6,092	7,152
Total borrowings	85,371	66,811
Cash on hand and at banks (including fixed deposits)	(26,045)	(14,703)
Net borrowings	59,326	52,108

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**Loan to joint venture partners**

	-----GROUP-----	
	2Q13	2Q12
	\$'000	\$'000
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before taxation	1,655	6,413
Adjustments for:		
Depreciation of property, furniture, fixtures and equipment	1,910	1,623
Depreciation of investment properties	24	29
Share of results of associates / joint venture, net of tax	(335)	(247)
Currency realignment	(152)	(225)
Gain on sale of one unit of leasehold property	(920)	-
Loss/(Gain) on disposal of furniture, fixtures and equipment	52	(69)
Provision / (Write-back) of impairment loss on other investment	2	(10)
Bad debts written off	5	-
Interest income	(169)	(261)
Interest expense	830	796
OPERATING PROFIT BEFORE REINVESTMENT IN WORKING CAPITAL	2,902	8,049
Decrease / (Increase) in debtors	2,392	(6,865)
Increase in stocks	(7,584)	(10,076)
Increase in creditors	11,946	11,060
CASH FROM OPERATIONS	9,656	2,168
Income tax paid	(2,968)	(1,983)
NET CASH FROM OPERATING ACTIVITIES	6,688	185
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of furniture, fixtures and equipment	(4,116)	(4,479)
Proceeds from disposal of furniture, fixtures and equipment	3,075	35
Interest received	-	172
NET CASH USED IN INVESTING ACTIVITIES	(1,041)	(4,272)
CASH FLOW FROM FINANCING ACTIVITIES:		
Drawdown of bank borrowings	10,029	1,698
Decrease in finance lease	(42)	(45)
Interest paid	(830)	(796)
Dividend paid to shareholders	(5,687)	(11,374)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	3,470	(10,517)
Net increase / (decrease) in cash and cash equivalents	9,117	(14,604)
Cash and cash equivalents at beginning of the financial period	11,007	25,933
Net effect of exchange rate changes on opening cash and cash equivalents	11	90
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	20,135	11,419
Cash and cash equivalents comprise the following:		
Cash and bank balances (including fixed deposits)	26,045	17,905
Bank overdrafts	(5,910)	(6,486)
	20,135	11,419

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
<u>GROUP</u>						
At 1 October 2012	165,447	(23,807)	(7,309)	(461)	124	133,994
Profit for the period	-	-	1,309	(169)	-	1,140
<u>Other comprehensive income</u>						
Foreign currency translation	-	(150)	-	(7)	-	(157)
Total comprehensive income for the 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
At 1 October 2011	165,447	(19,899)	(8,338)	(240)	124	137,094
Profit for the period	-	-	4,765	(126)	-	4,639
<u>Other comprehensive income</u>						
Foreign currency translation	-	(145)	-	20	-	(125)
Total comprehensive income for the period	-	(145)	4,765	(106)	-	4,514
Acquisition of subsidiary	-	-	(11,374)	-	-	(11,374)
At 31 December 2011	165,447	(20,044)	(14,947)	(346)	124	130,234
<u>COMPANY</u>						
At 1 October 2012	165,447	-	(887)	-	-	164,560
Profit for the period, representing Total comprehensive income for the period	-	-	(314)	-	-	(314)
Dividends paid	-	-	(5,686)	-	-	(5,686)
At 31 December 2012	165,447	-	(6,887)	-	-	158,560
At 1 October 2011	165,447	-	6,867	-	-	172,314
Profit for the period, representing Total comprehensive income for the period	-	-	(587)	-	-	(587)
Dividends paid	-	-	(11,374)	-	-	(11,374)
At 31 December 2011	165,447	-	(5,094)	-	-	160,353

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 2012 and 31 December 2011, 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 2012: 568,709,857

As at 31 December 2011: 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 January 2012.

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 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	
	2Q13	2Q12
(a) Basic (cents)	0.23	0.84
(b) Diluted (cents)	0.23	0.84

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 (2Q12: 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 period.

	GROUP	COMPANY
Net asset value per ordinary share based on issued share capital as at:		
(a) current financial period reported on (cents)	22.82	27.88
(b) immediately preceding financial period (cents)	23.62	28.94

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 – 3 Months Ended 31 December 2012 (2Q13)

The challenging global economy has negatively impacted the Group's results with revenue for second quarter down 12% to \$96.9 million from \$109.9 million with the biggest decline coming from North Asia. Revenue in North Asia dropped by 36% mainly due to decline in spending by PRC visitors both in China and in Hong Kong. This reduction in spending was also felt in Singapore and Malaysia.

Net profit after tax was **\$1.1 million**, down 75% compared to **\$4.6 million** in same period last year. Profit from operations declined by 59% to \$1.9 million from \$4.5 million in 2Q12. The lower profitability was further compounded by unrealized non-cash foreign exchange losses of \$813,000 compared with a gain of \$2.2 million in 2Q12. Gross profit margins improved from 42% to 43%.

Group operating expenses decreased by 6% to **\$42.0 million** with reduction in staff cost and reduced advertising spend. Cost-to-revenue ratio rose to 43% from 41% in same period last year as fixed costs such as rentals rose 12% despite lower sales.

The Group also netted an exceptional gain of \$920,000 arising from the sale of a 2,197 square feet office property in Hong Kong for \$3.1 million.

Group turnover from the fashion business saw a slight decrease of 1% to \$68.0 million but the timepiece business decreased by 30% to \$28.7 million.

In Southeast Asia, the fashion business dropped by 1% whilst the timepiece business saw a dip of 18% mainly due to lower shipments to Indonesia.

Indonesia continued to see growth with domestic sales increasing by 14% and slight increase in gross margins over same period last year. However, expenses have also increased resulting in a lower net return to the Group.

The Group's net gearing increased from 39% as at June 2012 to 46% as at December 2012 as it incurred higher operational cash outflow and capital expenditure for its business growth and expansion. As at 31 December 2012, net cash generated from operating activities remained positive at \$6.7 million.

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.

Looking ahead, we expect business conditions to continue to be challenging although renewed optimism in the Chinese economy at the start of the year may see demand picking up.

Management will continue its efforts to drive revenue, keep costs lean and be prudent in managing 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. Interested person transaction

The Group has not obtained a general mandate for Interested Persons Transactions.

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 2012 to be false or misleading.

15. Third quarter results for financial year ending 31 March 2013

The Company expects to announce its third quarter results ending 31 March 2013 in the week of 6th May 2013.

BY ORDER OF THE BOARD

Karen Chong Mee Keng
Company Secretary
5 February 2013