FJ BENJAMIN

F J BENJAMIN HOLDINGS LTD (Co. Reg. No. 197301125N)

## PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR RESULTS

### 1(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 is pleased to announce the unaudited results of the Group for the financial period ended 30 September 2004.

| | --------GROUP----------- | | |
|---|---|---|---|
| | 3 months ended | | |
| | 30-Sep-04 | 30-Sep-03 | Change |
| | $'000 | $'000 | % |
| TURNOVER | 35,153 | 27,678 | 27 |
| Other income including interest income, net | 673 | 762 | (12) |
| | 35,826 | 28,440 | 26 |
| COSTS AND EXPENSES | | | |
| Cost of sales | 22,459 | 17,326 | 30 |
| Staff costs | 4,471 | 3,851 | 16 |
| Rental costs | 2,933 | 2,329 | 26 |
| Advertising and promotion | 1,749 | 1,026 | 70 |
| Depreciation of property, furniture, fixtures and equipment | 765 | 782 | (2) |
| Other operating expenses, net | 2,886 | 2,235 | 29 |
| TOTAL COSTS AND EXPENSES | 35,263 | 27,549 | 28 |
| OPERATING PROFIT | 563 | 891 | (37) |
| Exceptional items, net (NOTE 1) | - | (260) | n/m |
| Interest on borrowings | (340) | (370) | (8) |
| Share of results of associated companies | 287 | 214 | 34 |
| PROFIT BEFORE TAXATION | 510 | 475 | 7 |
| Taxation | (392) | 30 | n/m |
| PROFIT AFTER TAXATION | 118 | 505 | (77) |
| Minority interest | - | (1) | n/m |
| NET PROFIT FOR THE FINANCIAL PERIOD | 118 | 504 | (77) |

n/m: denotes percentage not meaningful

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

| | --------GROUP----------- | |
|---|---|---|
| | 3 months ended | |
| | 30-Sep-04 | 30-Sep-03 |
| | $'000 | $'000 |
| Exchange translation loss/(gain) | 150 | (68) |
| Loss on disposal of furniture, fixtures and equipment | 12 | 3 |
| Allowance for bad and doubtful debts | 17 | 15 |
| Allowance for stocks obsolescence and stocks written off | 368 | 164 |
| Allowance for diminution in value of quoted investment | 82 | - |
| Over provision of tax in respect of prior periods | - | (180) |

NOTE 1 - EXCEPTIONAL ITEMS, NET

| | --------GROUP----------- | |
|---|---|---|
| | 3 months ended | |
| | 30-Sep-04 | 30-Sep-03 |
| | $'000 | $'000 |
| Net loss from discontinued Taiwan retail operations:- | | |
| write back of allowance for stock obsolescence no longer required | - | (11) |
| Closure cost | - | 271 |
| | - | 260 |
| The above is stated after charging/(crediting):- | | |
| Depreciation of furniture, fixtures and equipment | - | 6 |
| Write back of allowance for stocks obsolescence no longer required | - | (244) |

**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------- | |
|---|---|---|---|---|
| | 30-Sep-04 | 30-Jun-04 | 30-Sep-04 | 30-Jun-04 |
| | $'000 | $'000 | $'000 | $'000 |
| NON-CURRENT ASSETS | | | | |
| Property, furniture, fixtures and equipment | 68,811 | 69,105 | 38,167 | 38,316 |
| Interests in subsidiaries | - | - | 44,132 | 46,436 |
| Interests in associated companies | 9,303 | 9,422 | - | - |
| Other investments | 332 | 414 | 332 | 414 |
| Deferred tax asset | 620 | 624 | - | - |
| | 79,066 | 79,565 | 82,631 | 85,166 |
| CURRENT ASSETS | | | | |
| Stocks | 25,671 | 23,368 | - | - |
| External trade debtors | 13,300 | 8,639 | - | - |
| Trade debts due from an associated company | 10,557 | 8,611 | - | - |
| Other debtors | 6,464 | 6,246 | 817 | 746 |
| Cash and bank balances | 12,477 | 11,248 | 8,713 | 6,052 |
| | 68,469 | 58,112 | 9,530 | 6,798 |
| LESS: CURRENT LIABILITIES | | | | |
| Trade and other creditors | 31,302 | 25,554 | 1,495 | 616 |
| Finance lease creditors | 138 | 162 | 65 | 90 |
| Bank borrowings | 19,574 | 15,014 | 1,433 | 1,783 |
| Provision for taxation | 259 | 239 | 120 | 120 |
| | 51,273 | 40,969 | 3,113 | 2,609 |
| NET CURRENT ASSETS | 17,196 | 17,143 | 6,417 | 4,189 |
| LONG TERM LIABILITIES | | | | |
| Finance lease creditors | 511 | 532 | 342 | 342 |
| Bank borrowings | 18,712 | 19,010 | 11,567 | 11,750 |
| Deferred taxation | 700 | 700 | 700 | 700 |
| | 19,923 | 20,242 | 12,609 | 12,792 |
| NET ASSETS | 76,339 | 76,466 | 76,439 | 76,563 |
| EQUITY | | | | |
| Share capital | 57,000 | 57,000 | 57,000 | 57,000 |
| Share premium | 26,685 | 26,685 | 26,685 | 26,685 |
| Warrant reserve | 28,025 | 28,025 | 28,025 | 28,025 |
| Exchange translation reserve | (5,844) | (5,599) | (3,216) | (2,947) |
| Accumulated losses | (29,589) | (29,707) | (32,055) | (32,200) |
| | 76,277 | 76,404 | 76,439 | 76,563 |
| MINORITY INTERESTS | 62 | 62 | - | - |
| | 76,339 | 76,466 | 76,439 | 76,563 |

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

### Amount repayable in one year or less, or on demand

| As at 30-Sep-04 | | As at 30-Jun-04 | |
|---|---|---|---|
| Secured | Unsecured | Secured | Unsecured |
| $'000 | $'000 | $'000 | $'000 |
| 19,712 | - | 15,176 | - |

### Amount repayable after one year

| As at 30-Sep-04 | | As at 30-Jun-04 | |
|---|---|---|---|
| Secured | Unsecured | Secured | Unsecured |
| $'000 | $'000 | $'000 | $'000 |
| 19,223 | - | 19,542 | - |

### Details of any collateral

The bank borrowings are secured by a fixed charge over the freehold land and buildings and leasehold building of the Group.

Net borrowings

Net borrowings after deducting cash and bank balances amounted to $26,458,000 (30 June 2004: $23,470,000).

**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----------- | |
|---|---|---|
| | 3 months ended | |
| | 30-Sep-04 | 30-Sep-03 |
| | $'000 | $'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Profit before taxation | 510 | 475 |
| Adjustments for : | | |
| Depreciation of property, furniture, fixtures and equipment | 765 | 788 |
| Share of results of associated companies | (287) | (214) |
| Currency realignment | 218 | 60 |
| Loss on disposal of furniture, fixtures and equipment | 12 | 3 |
| Provision for diminution in value of investment | 82 | - |
| Interest income | (23) | (27) |
| Interest expense | 340 | 370 |
| OPERATING PROFIT BEFORE REINVESTMENT IN WORKING CAPITAL | 1,617 | 1,455 |
| Increase in debtors | (6,825) | (5,036) |
| Increase in stocks | (2,303) | (528) |
| Increase in creditors | 5,748 | 3,503 |
| CASH USED IN OPERATIONS | (1,763) | (606) |
| Taxation (paid) / refund | (219) | 33 |
| NET CASH USED IN OPERATING ACTIVITIES | (1,982) | (573) |
| | | |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of furniture, fixtures and equipment | (924) | (1,257) |
| Repayments from associated companies | 256 | 214 |
| Interest received | 23 | 27 |
| NET CASH USED IN INVESTING ACTIVITIES | (645) | (1,016) |
| | | |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Bank borrowings, net | 3,835 | (553) |
| (Repayment to) / proceeds from finance lease creditors | (45) | 4 |
| Interest paid | (340) | (370) |
| NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES | 3,450 | (919) |
| | | |
| Net increase / (decrease) in cash and cash equivalents | 823 | (2,508) |
| Cash and cash equivalents at beginning of the period | 9,596 | 12,374 |
| Net effect of exchange rate changes on opening cash and cash equivalents | (21) | (4) |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 10,398 | 9,862 |
| | | |
| Cash and cash equivalents comprise the following: | | |
| Cash and bank balances | 12,477 | 12,420 |
| Bank overdrafts | (2,079) | (2,558) |
| | 10,398 | 9,862 |

**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 | Share Premium $'000 | Warrant Reserve $'000 | Exchange Translation Reserve $'000 | (Accumulated Losses) $'000 | Total Shareholders' Equity $'000 |
|---|---|---|---|---|---|---|
| **GROUP** | | | | | | |
| Balance as at 30 June 2004 | 57,000 | 26,685 | 28,025 | (5,599) | (29,707) | 76,404 |
| Net profit for the financial period | - | - | - | - | 118 | 118 |
| Exchange differences arising from consolidation | - | - | - | (449) | - | (449) |
| Exchange difference arising from a monetary item that in substance forms part of the net investment in a foreign subsidiary | - | - | - | 204 | - | 204 |
| Balance as at 30 September 2004 | 57,000 | 26,685 | 28,025 | (5,844) | (29,589) | 76,277 |
| | | | | | | |
| Balance as at 30 June 2003 | 57,000 | 26,685 | 28,025 | (3,503) | (31,172) | 77,035 |
| Net profit for the financial period | - | - | - | - | 504 | 504 |
| Exchange differences arising from consolidation | - | - | - | (199) | - | (199) |
| Balance as at 30 September 2003 | 57,000 | 26,685 | 28,025 | (3,702) | (30,668) | 77,340 |
| | | | | | | |
| **COMPANY** | | | | | | |
| Balance as at 30 June 2004 | 57,000 | 26,685 | 28,025 | (2,947) | (32,200) | 76,563 |
| Net profit for the financial period | - | - | - | - | 145 | 145 |
| Share of translation loss of subsidiaries | - | - | - | (473) | - | (473) |
| Exchange difference arising from a | | | | | | |
| monetary item that in substance forms | | | | | | |
| part of the net investment in a | | | | | | - |
| foreign subsidiary | - | - | - | 204 | - | 204 |
| Balance as at 30 September 2004 | 57,000 | 26,685 | 28,025 | (3,216) | (32,055) | 76,439 |
| | | | | | | |
| Balance as at 30 June 2003 | 57,000 | 26,685 | 28,025 | (852) | (33,664) | 77,194 |
| Net profit for the financial period | - | - | - | - | 578 | 578 |
| Share of translation loss of subsidiaries | - | - | - | (356) | - | (356) |
| Balance as at 30 September 2003 | 57,000 | 26,685 | 28,025 | (1,208) | (33,086) | 77,416 |

**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 at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial**

There has been no change in the Company's share capital during the period reported.

As at 30 September 2004, there were 285,000,000 outstanding warrants. The number of shares that may be issued on exercising of all the outstanding warrants were as follows:
As at 30 September 2004: 285,000,000
As at 30 September 2003: 285,000,000

**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.**

The Group has 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.**

Not applicable.

**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 | |
|---|---|---|
| | 30-Sep-04 | 30-Sep-03 |
| | Cent | Cent |
| (a) Based on the weighted average number of ordinary shares in issue; and | 0.04 | 0.18 |
| (b) On a fully diluted basis | 0.04 | 0.18 |

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.**

| | GROUP | COMPANY |
|---|---|---|
| | Cents | Cents |
| Net asset value per ordinary share based on issued share capital as at: | | |
| (a) current financial period reported on | 26.76 | 26.82 |
| (b) immediately preceding financial year | 26.81 | 26.86 |

**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.**

First quarter ended 30 September 2004

The Group's turnover increased by 27% to S$35.2 million in the first quarter (July 2004 to September 2004) of the current financial year ("Q1/05") compared to S$27.7 million in the first quarter (July 2003 to September 2003) of its last financial year ("Q1/04"). Its net profit for the financial period was S$118,000 in Q1/05 as compared to S$504,000 in Q1/04, mainly due to a 70% increase in advertising and promotion expense caused by a timing difference in the incurrence of this expenditure.

The higher advertising and promotion expense of S$723,000 incurred in Q1/05 as compared to Q1/04, was in line with the Group's marketing and events plans which coincided with the anniversary celebrations and major horological events organized by the Group's main customers in the months of August and September 2004. Taking into account the one-off increase in advertising and promotional costs, the Group's performance for the period would have been better than Q1/04.

Tax provision for Q1/05 was S$392,000, which resulted from the higher profits of some of its operations, as compared with a net credit of S$30,000 in Q1/04 that arose from a one-off write-back of prior years tax provision of S$180,000.

The Group's retail fashion business in Singapore and Malaysia grew 19% and 29% respectively, while its timepiece business in North Asia and South East Asia registered strong growth rising 42% over Q1/04.

Growth in the retail fashion business came from the stronger performance of GUESS and new in-house menswear label, RAOUL. The Group continued to broaden its portfolio of mid-priced lifestyle products, and apart from GUESS which is well-known throughout the region and which has shown strong growth over the comparative period, it also recently introduced LA SENZA, a brand of ladies' lingerie from Canada.

Currently, RAOUL has eight stores operating in Singapore and Malaysia and five stores franchised in Indonesia, as compared to seven stores in the corresponding quarter. Two LA SENZA stores were added in Singapore and Malaysia this quarter, bringing the total number of outlets in Singapore, Malaysia and Indonesia to five as compared to one store in the corresponding quarter.

Growth of the Group's timepiece business came from the stronger performance of its existing brands, such as GIRARD PERREGAUX, JEAN RICHARD and GUESS, as well as from its recently introduced lifestyle brands, namely NIKE, NAUTICA and MARC ECKO. Its timepiece business in South East Asia grew strongly by 64% over Q1/04. Sales in Hong Kong increased by 17%, while sales in Taiwan were up 20% from growth of its GUESS watch business and from its main brands, namely, MARC ECKO and NAUTICA.

The Group's wholesale distribution business in Australia grew 7% due to increased orders from department stores and a bigger customer base in other parts of Australia through the appointment of agents.

The Group's profitable operations in Indonesia continued to show strong growth over the comparative quarter, with sales increasing by 52% over Q1/04.

The Group's joint venture with Mr Dennis Foo for the Devils Bar continued its track record of growth and profitability and remains as one of the premier night clubs in Singapore.

Manchester United Food & Beverage (Asia) Pte Ltd (MUFB), a joint venture with Mr Peter Lim, operates two full service casual all-day dining outlets, ONE UNITED, in Chengdu, China. The Group's share of losses was S$269,000 in Q1/05 as compared to a loss of S$120,000 in Q1/04 due to pre-operating expenses. Management is looking at ways of improving its performance.

The Group's Balance Sheet remains strong with cash of S$12.5 million against total borrowings of S$38.9 million. It registered a low gearing of 0.35 times and a net asset value per ordinary share of 26.8 cents. As a result of lower interest rates, interest on borrowings in Q1/05 declined by 8% to S$340,000 as compared to S$370,000 in Q1/04.

## 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 Q1/05 result. However, the Group's net profit for the financial period of S$118,000 in Q1/05 remains in line with the statement made in its full year announcement on 27 August 2004 that "barring any unforeseen circumstances, the directors expect the full year's profit for the financial year ending 30 June 2005 to be an improvement over the financial year just ended".

## 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 recovery of the regional economies has had a positive effect on the retail industry and with the approaching festive season, consumer spending is expected to improve and contribute positively towards sales. The Group will seek to strengthen its earnings base by increasing its revenue streams and improving the margin in its core areas of fashion retailing, wholesale distribution of timepieces and licensing.

## 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.

No dividend has been recommended.

**BY ORDER OF THE BOARD**

Mervyn Lim
Dilhan Pillay Sandrasegara
Joint Company Secretaries
9 November 2004