

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 first quarter ended 30 September 2005 (Q1 2006).

	-----GROUP-----		Change %
	Q1 2006 \$'000	Restated Q1 2005 \$'000	
TURNOVER	45,914	35,153	31
Other income including interest income, net	314	673	(53)
	<u>46,228</u>	<u>35,826</u>	29
COSTS AND EXPENSES			
Cost of sales	27,946	22,459	24
Staff costs	5,415	4,471	21
Rental of premises	3,410	2,933	16
Advertising and promotion	2,792	1,749	60
Depreciation of property, furniture, fixtures and equipment	888	768	16
Other operating expenses, net	3,508	2,886	22
TOTAL COSTS AND EXPENSES	<u>43,959</u>	<u>35,266</u>	25
OPERATING PROFIT	2,269	560	n/m
Interest on borrowings	(448)	(340)	32
Share of results of associated companies	488	283	72
PROFIT BEFORE TAXATION	<u>2,309</u>	<u>503</u>	n/m
Taxation	(1,035)	(392)	n/m
NET PROFIT FOR THE FINANCIAL PERIOD	<u>1,274</u>	<u>111</u>	n/m
Attributable to:			
Shareholders of the Company	1,274	111	
Minority interest	-	-	

n/m: denotes percentage not meaningful

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

Exchange translation loss	821	150
Loss on disposal of furniture, fixtures and equipment	14	12
Allowance for bad and doubtful debts and bad debts written off	6	17
Allowance for stocks obsolescence and stocks written off	326	368
Gain on sale of unquoted investment	(258)	-
(Write-back) /allowance for diminution in value of quoted investment	(29)	82

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-05 \$'000	Restated 30-Jun-05 \$'000	30-Sep-05 \$'000	Restated 30-Jun-05 \$'000
NON-CURRENT ASSETS				
Property, furniture, fixtures and equipment	69,034	69,019	34,246	34,380
Interest in subsidiaries	-	-	43,909	44,420
Interest in joint ventures	-	-	-	150
Interest in associated companies	10,281	10,426	-	-
Other investments	312	283	312	283
Deferred tax assets	530	527	-	-
	<u>80,157</u>	<u>80,255</u>	<u>78,467</u>	<u>79,233</u>
CURRENT ASSETS				
Stocks	34,960	32,617	-	-
External trade debtors	18,131	12,023	-	-
Trade debts due from an associated company	9,153	7,685	-	-
Other debtors	6,283	6,193	855	690
Cash on hand and at banks	14,244	14,765	8,793	7,714
	<u>82,771</u>	<u>73,283</u>	<u>9,648</u>	<u>8,404</u>
CURRENT LIABILITIES				
Trade and other creditors	42,829	36,087	974	880
Finance lease creditors	132	134	76	75
Bank borrowings	21,489	20,894	367	899
Provision for taxation	990	505	186	186
	<u>65,440</u>	<u>57,620</u>	<u>1,603</u>	<u>2,040</u>
NET CURRENT ASSETS	17,331	15,663	8,045	6,364
NON-CURRENT LIABILITIES				
Finance lease creditors	307	338	194	214
Bank borrowings	18,378	18,361	11,200	11,200
Deferred tax liabilities	400	400	400	400
	<u>19,085</u>	<u>19,099</u>	<u>11,794</u>	<u>11,814</u>
NET ASSETS	<u>78,403</u>	<u>76,819</u>	<u>74,718</u>	<u>73,783</u>
SHAREHOLDERS' 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	(7,018)	(7,204)	-	-
Accumulated losses	(26,413)	(27,687)	(36,992)	(37,927)
	<u>78,279</u>	<u>76,819</u>	<u>74,718</u>	<u>73,783</u>
Minority interest	124	-	-	-
	<u>78,403</u>	<u>76,819</u>	<u>74,718</u>	<u>73,783</u>

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-05		As at 30-Jun-05	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
21,621	-	21,028	-

Amount repayable after one year

As at 30-Sep-05		As at 30-Jun-05	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
18,685	-	18,699	-

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 \$26,062,000 (30 June 2005: \$24,962,000).

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-----	
	Q1 2006 \$'000	Q1 2005 \$'000
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before taxation	2,309	503
Adjustments for :		
Depreciation of property, furniture, fixtures and equipment	888	768
Share of results of associated companies	(488)	(283)
Currency realignment	573	218
Loss on disposal of furniture, fixtures and equipment	14	12
(Write-back)/provision for diminution in value of investment	(29)	82
Gain on sale of unquoted investment	(258)	-
Interest income	(86)	(23)
Interest expense	448	340
OPERATING PROFIT BEFORE REINVESTMENT IN WORKING CAPITAL	3,371	1,617
Increase in debtors	(7,666)	(6,825)
Increase in stocks	(2,343)	(2,303)
Increase in creditors	6,742	5,748
CASH GENERATED FROM / (USED IN) OPERATIONS	104	(1,763)
Taxation paid	(224)	(219)
NET CASH USED IN OPERATING ACTIVITIES	(120)	(1,982)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of furniture, fixtures and equipment	(837)	(924)
(Loan to) / repayment from associated companies	(96)	256
Equity contribution by minority interest	124	-
Proceed from disposal of unquoted investment	258	-
Interest received	46	23
NET CASH USED IN INVESTING ACTIVITIES	(505)	(645)
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from bank borrowings	440	3,835
Repayment to finance lease creditors	(33)	(45)
Interest paid	(448)	(340)
NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES	(41)	3,450
Net (decrease) / increase in cash and cash equivalents	(666)	823
Cash and cash equivalents at beginning of the period	12,952	9,596
Net effect of exchange rate changes on opening cash and cash equivalents	(27)	(21)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	12,259	10,398
Cash and cash equivalents comprise the following:		
Cash and bank balances	14,244	12,477
Bank overdrafts	(1,985)	(2,079)
	12,259	10,398

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	Minority interest \$'000	Total Shareholders' Equity \$'000
<u>GROUP</u>							
Balance as at 30 June 2005							
- as previously reported	57,000	26,685	28,025	(7,204)	(27,128)	-	77,378
- effect of adopting FRS 16	-	-	-	-	(133)	-	(133)
- effect of adopting FRS 39	-	-	-	-	(426)	-	(426)
- as restated	57,000	26,685	28,025	(7,204)	(27,687)	-	76,819
Capital contribution by minority interest	-	-	-	-	-	124	124
Net profit for the financial period	-	-	-	-	1,274	-	1,274
Exchange differences arising from consolidation	-	-	-	186	-	-	186
Balance as at 30 September 2005	57,000	26,685	28,025	(7,018)	(26,413)	124	78,403
Balance as at 30 June 2004							
- as previously reported	57,000	26,685	28,025	(5,599)	(29,707)	62	76,466
- effect of adopting FRS 16	-	-	-	-	(106)	-	(106)
- as restated	57,000	26,685	28,025	(5,599)	(29,813)	62	76,360
Net profit for the financial period	-	-	-	-	111	-	111
Exchange differences arising from consolidation	-	-	-	(449)	-	-	(449)
Exchange difference arising from a monetary item that in substance form 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)	(29,702)	62	76,226
<u>COMPANY</u>							
Balance as at 30 June 2005							
- as previously reported	57,000	26,685	28,025	(6,609)	(27,518)	-	77,583
- effect of adopting FRS 27	-	-	-	6,609	(10,409)	-	(3,800)
- as restated	57,000	26,685	28,025	-	(37,927)	-	73,783
Net profit for the financial period	-	-	-	-	935	-	935
Balance as at 30 September 2005	57,000	26,685	28,025	-	(36,992)	-	74,718
Balance as at 30 June 2004							
- as previously reported	57,000	26,685	28,025	(2,947)	(32,200)	-	76,563
- effect of adopting FRS 27	-	-	-	1,883	(6,467)	-	(4,584)
- as restated	57,000	26,685	28,025	(1,064)	(38,667)	-	71,979
Net profit for the financial period	-	-	-	-	748	-	748
Exchange difference arising from a monetary item that in substance form part of the net investment in a foreign subsidiary	-	-	-	204	-	-	204
Balance as at 30 September 2004	57,000	26,685	28,025	(860)	(37,919)	-	72,931

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 year.

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

As at 30 September 2005, 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 2005 : 285,000,000

As at 30 September 2004 : 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.

Except as disclosed in item 5 below, 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.

The Group has adopted the relevant new/revised Singapore Financial Reporting Standards (FRS) with effect from 1 July 2005, in particular, FRS 16 - Property, Plant and Equipment, FRS 27 - Consolidated and Separate Financial Statements and FRS 39 - Financial Instruments - Recognition and Measurement.

In accordance with the transitional provisions of FRS 39, the effect of recognition, derecognition and measurement of financial instruments for periods prior to 1 July 2005, are not restated. Consequently, the comparative figures have not been restated.

The implementations of FRS 16 and FRS 27 are applied retrospectively, hence comparative figures have been restated accordingly.

Apart from FRS 16, FRS 27 and FRS 39, the rest of the new/revised FRS have no material financial impact on the financial statements of the Group and of the Company.

The effects of the implementations of the above new/revised FRS to the Group are as follows:-

	FRS 16	FRS 39	
	Increase/(decrease)		Net
	\$'000	\$'000	\$'000
Net profit for Q1 2006	(4)	82	78
Net profit for Q1 2005	(7)	-	(7)
Accumulated losses as at 1 July 2005	133	426	559
Accumulated losses as at 1 July 2004	106	-	106
Balance sheet items as at 30 Sept 2005:			
- Interest in associated companies	(93)	(324)	(417)
- Trade and other creditors	44	20	64

The Company had previously accounted for investments in subsidiaries using the equity method in its separate financial statements as allowed by FRS 27 - Consolidated Financial Statements and Accounting for Investments in Subsidiaries. With the introduction of the revised FRS 27 - Consolidated and Separate Financial Statements, this option has been removed, and the Company has elected to account for its investments at cost less impairment, if any. This change has been accounted for retrospectively and the comparative figures have been restated accordingly. Further details of the effect has been disclosed under paragraph 1(d)(i), Statement of Changes in Shareholders' Equity of the Company.

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	
	Q1 2006	Q1 2005
	Cents	Cent
(a) Based on the weighted average number of ordinary shares in issue; and	0.45	0.04
(b) On a fully diluted basis	0.45	0.04

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	27.47	26.22
(b) immediately preceding financial year	26.95	25.89

- 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 First Quarter – 3 Months Ended 30 September 2005 (1Q06)

Group operating revenue for the first quarter grew 31% against last year to S\$45.9 million. Net profit after tax rose from S\$0.1 million to S\$1.3 million.

Riding on the back of economic growth and renewed consumer spending, the Southeast Asia market continued its growth momentum, registering a growth of 28% for the quarter. Growth of 37% in the fashion business came from the stronger sales performance of GUESS, RAOUL and LA SENZA as well as increased orders received by the Licensing Division for BABY GUESS/ GUESS KIDS from its existing customers and new customers in Vietnam and Guam. RAOUL LADIES made its debut in May 2005 and operates 2 stores in Singapore. A third store opened in October 2005.

Revenue from the timepiece business in Hong Kong, Taiwan and China grew 65% primarily due to the direct distribution of GIRARD-PERREGAUX timepieces to retailers in Taiwan compared to the previous arrangement of sales to a sub-distributor. The growing consumer demand for GIRARD-PERREGAUX timepieces in China saw revenue growth of 24% in this quarter.

Australia saw the opening of a new LA SENZA store in September 2005 under a partnership arrangement with local partners. The wholesale distribution of BABY GUESS/ GUESS KIDS was also transferred to the partnership. Sales recognized were lower as a result of the Group having only a 51% share in the partnership.

Indonesia continued to be a growth market with domestic sales increasing by 38% over 2005. Operations remained profitable, notwithstanding the weakening of the Rupiah which placed pressure on margin and pricing.

Gross profit margin strengthened to 39.1% from 36.1%. Although staff costs and other operating expenses rose in tandem with the expanded operations of the Group, higher revenue, better margin and strong performance from associated companies contributed to the increase in net profit before tax from S\$0.5 million in the previous corresponding period to S\$2.3 million in this reporting period. Net profit margin after tax expanded from 0.3% in last corresponding period to 2.8% for this quarter.

The Group's Balance Sheet remains strong with cash of S\$14 million against total borrowings of S\$40 million. It registered a gearing of 0.33 times and a net asset value per ordinary share of 27.47 cents.

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 first quarter result.

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.

With improved consumer sentiment and the coming festive period in the next quarter, the Group will continue to work towards strengthening its earnings base by increasing its revenue stream from its core business with a tight control on costs.

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. Second quarter results for financial year ending 30 June 2006.

The Company expects to announce its results for the second quarter of FY 2006 in the week of 13 February 2006.

BY ORDER OF THE BOARD

Karen Chong Mee Keng
Joint Company Secretary
8 November 2005