

# 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 second quarter ended 31 December 2006 (2Q 07).

	-----GROUP-----		
	2Q 07	2Q 06	Change
	\$'000	\$'000	%
TURNOVER	69,460	52,104	33
Other income including interest income, net	4,023	1,538	n/m
	<u>73,483</u>	<u>53,642</u>	37
COSTS AND EXPENSES			
Cost of goods sold	39,437	30,553	29
Staff costs	10,173	6,958	46
Rental of premises	5,632	3,986	41
Advertising and promotion	2,716	2,796	(3)
Depreciation of property, furniture, fixtures and equipment	1,172	985	19
Other operating expenses, net	4,683	3,760	25
TOTAL COSTS AND EXPENSES	<u>63,813</u>	<u>49,038</u>	30
OPERATING PROFIT	9,670	4,604	n/m
Exceptional items - Note 1	3,649	-	n/m
Interest expense	(577)	(465)	24
Share of results of associates	354	589	(40)
PROFIT BEFORE TAXATION	<u>13,096</u>	<u>4,728</u>	n/m
Taxation	(2,356)	(994)	n/m
NET PROFIT FOR THE FINANCIAL PERIOD	<u>10,740</u>	<u>3,734</u>	n/m

n/m: denotes percentage more than 100%

NET PROFIT (INCLUDING EXCEPTIONAL ITEMS) IS STATED AFTER CHARGING/(CREDITING):-

Exchange translation gain	(1,572)	(619)
Net gain on disposal of property, furniture, fixtures and equipment	(5,931)	-
Allowance for bad and doubtful debts	-	3
Allowance for inventories obsolescence and inventories written off	501	541
Write back of allowances for impairment in value of quoted investment	(39)	-
Provision for impairment in investment in associates	1,751	-
(Over)/under provision of tax in respect of prior financial years	(300)	82

#### Note 1 - Exceptional items

Net gain on disposal of property	(5,804)	-
Provision for impairment in investment in associates	1,751	-
Provision for royalty due to early termination of agreement	404	-
	<u>(3,649)</u>	-

**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-06 \$'000	30-Jun-06 \$'000	31-Dec-06 \$'000	30-Jun-06 \$'000
<b>NON-CURRENT ASSETS</b>				
Property, furniture, fixtures and equipment	41,450	69,370	5,070	35,857
Subsidiaries	-	-	87,114	75,537
Investment in associates	8,746	9,551	-	-
Other investments	273	332	273	332
Other receivables	5,785	4,672	-	-
Deferred tax assets	606	601	-	-
	<u>56,860</u>	<u>84,526</u>	<u>92,457</u>	<u>111,726</u>
<b>CURRENT ASSETS</b>				
Inventories	56,998	43,708	-	-
External trade debtors	24,567	17,474	-	-
Trade debts due from related companies	19,722	11,600	-	-
Tax recoverable	1,635	1,579	-	241
Other debtors	15,149	7,961	1,388	190
Cash on hand and at banks	54,967	24,929	49,120	19,893
	<u>173,038</u>	<u>107,251</u>	<u>50,508</u>	<u>20,324</u>
<b>CURRENT LIABILITIES</b>				
Trade and other creditors	71,965	52,023	4,776	2,676
Finance lease creditors	166	115	70	79
Bank borrowings	33,094	19,910	-	-
Provision for taxation	5,028	2,679	25	69
	<u>110,253</u>	<u>74,727</u>	<u>4,871</u>	<u>2,824</u>
<b>NET CURRENT ASSETS</b>	<b>62,785</b>	<b>32,524</b>	<b>45,637</b>	<b>17,500</b>
<b>NON-CURRENT LIABILITIES</b>				
Finance lease creditors	448	238	363	135
Bank borrowings	-	17,949	-	11,200
Other liabilities	2,583	2,583	-	-
Deferred tax liabilities	440	440	400	400
	<u>3,471</u>	<u>21,210</u>	<u>763</u>	<u>11,735</u>
<b>NET ASSETS</b>	<b>116,174</b>	<b>95,840</b>	<b>137,331</b>	<b>117,491</b>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>				
Share capital	116,936	99,360	116,936	99,360
Warrant reserve	21,979	25,175	21,979	25,175
Exchange translation reserve	(10,322)	(9,109)	-	-
Accumulated losses	(12,543)	(19,710)	(1,584)	(7,044)
	<u>116,050</u>	<u>95,716</u>	<u>137,331</u>	<u>117,491</u>
Preference shares issued by a subsidiary	124	124	-	-
	<u>116,174</u>	<u>95,840</u>	<u>137,331</u>	<u>117,491</u>

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

	31-Dec-06	30-Jun-06
	\$'000	\$'000
Amount repayable in one year or less, or on demand		
Secured	19,051	20,025
Unsecured	14,209	-
Amount repayable after one year		
Secured	-	18,187
Unsecured	448	-
Total borrowings	33,708	38,212
Cash on hand and at banks	(54,967)	(24,929)
(Net cash) / net borrowings	(21,259)	13,283

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

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

	Note	-----GROUP-----	
		2Q 07	2Q 06
		\$'000	\$'000
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Profit before taxation		13,096	4,728
Adjustments for:			
Depreciation of property, furniture, fixtures and equipment		1,172	985
Share of results of associates		(354)	(589)
Currency realignment		(285)	(312)
Gain on disposal of furniture, fixtures and equipment		(5,931)	-
Allowance for impairment in value of investment		1,712	-
Fair value of loan		(41)	(40)
Interest income		(222)	(53)
Interest expense		577	465
<b>OPERATING PROFIT BEFORE REINVESTMENT IN WORKING CAPITAL</b>		<b>9,724</b>	<b>5,184</b>
Increase in debtors		(9,204)	(3,373)
Increase in inventories		(9,262)	(4,175)
Increase in creditors		17,212	6,262
<b>CASH FROM OPERATIONS</b>		<b>8,470</b>	<b>3,898</b>
Taxation paid		(1,079)	86
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>7,391</b>	<b>3,984</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Purchase of furniture, fixtures and equipment		(4,314)	(1,295)
Proceeds from sale of property, furniture, fixtures and equipment	1a	37,043	-
Loan to associates		107	-
Interest received		222	53
<b>NET CASH FROM /(USED IN) INVESTING ACTIVITIES</b>		<b>33,058</b>	<b>(1,242)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>			
Proceeds from issuance of ordinary shares		14,369	-
(Repayments of) / proceeds from bank borrowings	1b	(9,886)	1,457
Proceeds from / (repayments of) finance lease		108	(33)
Interest paid		(577)	(465)
Dividend paid to shareholders		(6,587)	(2,508)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(2,573)</b>	<b>(1,549)</b>
Net increase in cash and cash equivalents		37,876	1,193
Cash and cash equivalents at beginning of the period		14,403	12,259
Net effect of exchange rate changes on opening cash and cash equivalents		48	1
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<b>52,327</b>	<b>13,453</b>
Cash and cash equivalents comprise the following:			
Cash and bank balances		54,967	14,040
Bank overdrafts		(2,640)	(587)
		<b>52,327</b>	<b>13,453</b>

**Note 1 - Utilisation of proceeds from the disposal of property at 6B Orange Grove Road**

Proceeds from the disposal of property (included in 1a above)	37,000
Repayment of mortgage loan and interest on 6B (included in 1b above)	(11,249)
Rental deposit and advance rental for leasing 6B Orange Grove Road	(487)
Balance of proceeds as at 31 Dec 06	25,264
Repayment of mortgage loan on property in Hong Kong	(6,511)
Working capital for expansion	(6,105)
Balance as at 12 Feb 07	12,648

**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	Preference Shares Issued By A Subsidiary \$'000	Total Equity \$'000
<b>GROUP</b>							
At 30 Sep 06	99,374	-	25,172	(9,223)	(16,696)	124	98,751
Net profit for the financial period	-	-	-	-	10,740	-	10,740
Exchange differences arising from consolidation recognised in equity	-	-	-	(1,099)	-	-	(1,099)
Total recognised income and expenses for the financial period	-	-	-	(1,099)	10,740	-	9,641
Dividend paid	-	-	-	-	(6,587)	-	(6,587)
Exercise of warrants	17,562	-	(3,193)	-	-	-	14,369
At 31 Dec 06	116,936	-	21,979	(10,322)	(12,543)	124	116,174
At 30 Sep 05	57,000	26,685	28,025	(7,018)	(26,099)	124	78,717
Net profit for the financial period	-	-	-	-	3,734	-	3,734
Exchange differences arising from consolidation recognised in equity	-	-	-	(468)	-	-	(468)
Total recognised income and expenses for the financial period	-	-	-	(468)	3,734	-	3,266
Dividend paid	-	-	-	-	(2,508)	-	(2,508)
At 31 Dec 05	57,000	26,685	28,025	(7,486)	(24,873)	124	79,475
<b>COMPANY</b>							
At 30 Sep 06	99,374	-	25,172	-	(5,949)	-	118,597
Net profit for the financial period	-	-	-	-	10,952	-	10,952
Dividend paid (Note 1)	-	-	-	-	(6,587)	-	(6,587)
Exercise of warrants	17,562	-	(3,193)	-	-	-	14,369
At 31 Dec 06	116,936	-	21,979	-	(1,584)	-	137,331
At 30 Sep 05	57,000	26,685	28,025	-	(10,655)	-	101,055
Net profit for the financial period	-	-	-	-	(787)	-	(787)
Dividend paid	-	-	-	-	(2,508)	-	(2,508)
At 31 Dec 05	57,000	26,685	28,025	-	(13,950)	-	97,760

**Note 1- Dividend paid**

The first and final dividend payment paid on 23 November 2006 for the financial year ended 30 June 2006 was based on 343,097,000 ordinary shares as at 8 November 2006 (book closure date).

As at 30 June 2006, there were 313,500,000 ordinary shares. The exercise of warrants by the warrants holders from 1 July 2006 to 8 November 2006, resulted in an increase of 29,597,000 ordinary shares issued. Dividend paid based on 343,097,000 ordinary shares was \$6,587,000, out of which \$307,000 was paid out from the Company's net profit for the year ending 30 June 2007.

**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.**

During the period, the Company issued 31,931,000 ordinary shares at \$0.45 each upon the exercise of warrants.

As at 31 December 2006, there were 224,543,000 outstanding warrants. The number of shares that may be issued on exercising of all the outstanding warrants were as follows:

As at 31 December 2006 : 224,543,000  
 As at 31 December 2005 : 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	
	2Q 07	2Q 06
	Cents	Cents
(a) Based on the weighted average number of ordinary shares in issue; and	3.21	1.31
(b) On a fully diluted basis	1.92	1.31

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 334,737,217 (2Q 06: 285,000,000) and 559,280,217 (2Q 06: anti-dilutive) respectively.

**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	33.59	39.75
(b) immediately preceding financial period	30.53	37.48

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 2006 (2Q07)**

Group operating revenue for the second quarter grew 33% to \$69.4 million against the same period in 2006. Net profit after tax rose to S\$10.7 million from S\$3.7 million.

#### **Turnover - Geographical**

- **Southeast Asia – Singapore, Malaysia, Thailand**

The Southeast Asian markets continued to grow and posted an overall increase of 41% in turnover over 2Q06. For the fashion retail and distribution division, sales increased by 30% from GUESS, RAOUL, LA SENZA which recorded double digit comparable store growth. The newly introduced brand – GAP contributed 19% to the increase in turnover. For the timepiece division, there was a 26% increase in revenue with contributions coming from technical and life-style brands through existing distribution channels and new doors opened in the reporting quarter.

- **North Asia – Hongkong, Taiwan, China**

Overall, the timepiece turnover grew by 6%. Hongkong and China markets grew by 15% but turnover from Taiwan declined by 13% due to the political unrest in the country thus affecting consumer spending. Sale of GIRARD-PERREGAUX timepieces in China increased by 61% with 22 doors now opened in major gateway cities in China.

#### **Associated Companies**

Indonesia continued to be a growth market with domestic sales increasing by 27% over 2Q06. Operations remained profitable.

All 9 entertainment outlets in St James Power Station were opened by end December and response has exceeded expectation.

#### **Margin and Operating expenses**

Gross margin increased to 43.2% for this quarter from 41.4% in 2Q06. This was partly due to the sales mix. A higher percent of sales came from the retail division which contributed a higher margin than the wholesale distribution and export divisions.

In tandem with the growth in revenue and new stores opened, operating expenses increased by 32% with major increases coming from staff cost and rental.

#### **Exceptional items**

Exceptional items comprise principally gain from the sale of 6 B, Orange Grove Road in December less impairment made on investment in associated companies and provision of royalty on early termination of a franchise agreement.

### **Interim Dividend**

An interim dividend of 1.5 cents per share (less tax) has been declared in respect of the financial year ending 30 June 2007.

### **Balance Sheet**

The Group's Balance Sheet remains strong with cash of S\$55 million against total borrowings of S\$34 million. It registered a zero gearing and a net asset value per ordinary share of 34 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 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.**

As at the date of this announcement, the Group is well positioned to take advantage of the present positive sentiment and will continue its efforts to maintain its momentum to grow its market share in the region.

As planned, to-date a total of 31 new stores have been opened in the territories in which the Group operates. A total of 52 stores will be opened by end of this financial year. Timepiece distribution will continue to grow, with an emphasis on China, and the same can be said of the Raoul brand which continues to grow regionally.

With the sale of the office building in Singapore, the Group has signed a binding letter of offer for a lease to house the Singapore companies and will be moving to its new premises at the end of 2007.

With the proceeds from the sale of the Group's headquarters in Orange Grove Road, the Group has substantially retired its bank debt. The Group is evaluating various options for the effective utilization of its current and anticipated (arising from the expected conversion of its outstanding warrants) cash position.



**11. Dividend**

**(a) Current Financial Period Reported On**

**Any dividend declared for the current financial period report on?**

Name of Dividend	First interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.50 cents per ordinary share (less) tax
Tax Rate	20%

**(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**

26 March 2007.

**(d) Books closure date**

Notice is hereby given that the share transfer books and register of members of the Company will be closed on 14 March 2007 for the preparation of dividend warrants.

Registrable transfers received by the Company's Registrar, Lim Associates (Pte) Ltd up to 5.00 pm on 13 March 2007, will be registered before entitlements to the said dividend are determined.

**12. If no dividend has been declared/recommended, a statement to that effect.**

Not applicable.

**13. Third Quarter results for financial year ending 30 June 2007.**

The Company expects to announce its results for the third quarter ending 31 March 2007 in the week of 14 May 2007.

**BY ORDER OF THE BOARD**

Karen Chong Mee Keng  
Dilhan Pillay Sandrasegara  
Joint Company Secretaries  
12 February 2007

# FJ BENJAMIN

## CONFIRMATION PURSUANT TO RULE 705(4) OF THE LISTING MANUAL

We, Eli Manasseh Benjamin and Karen Chong Mee Keng, being two directors of F J Benjamin Holdings Ltd (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the second quarter financial results ended 31 December 2006 to be false or misleading.

On behalf of the Board of Directors



Eli Manasseh Benjamin  
Director



Karen Chong Mee Keng  
Director

12 February 2007