

# 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 third quarter ended 31 March 2006 (Q3 2006).

	-----GROUP-----		
	Q3 2006	Restated Q3 2005	Change
	\$'000	\$'000	%
TURNOVER	46,049	37,060	24
Other income including interest income, net	1,134	1,481	(23)
	<u>47,183</u>	<u>38,541</u>	22
<b>COSTS AND EXPENSES</b>			
Cost of sales	27,023	22,568	20
Staff costs	6,990	4,797	46
Rental of premises	3,936	3,053	29
Advertising and promotion	896	1,541	(42)
Depreciation of property, furniture, fixtures and equipment	1,010	881	15
Other operating expenses, net	4,431	3,998	11
<b>TOTAL COSTS AND EXPENSES</b>	<u>44,286</u>	<u>36,838</u>	20
<b>OPERATING PROFIT</b>	2,897	1,703	70
Interest on borrowings	(465)	(352)	32
Share of results of associated companies	756	621	22
<b>PROFIT BEFORE TAXATION</b>	<u>3,188</u>	<u>1,972</u>	62
Taxation (Note 1)	(1,637)	(756)	n/m
<b>NET PROFIT FOR THE FINANCIAL PERIOD</b>	<u>1,551</u>	<u>1,216</u>	28
Attributable to:			
Shareholders of the Company	1,551	1,216	
Minority interest	-	-	

n/m: denotes percentage more than 100%

#### Note 1

The effective tax rate for the quarter was higher as compared to Q3 2005. This was mainly due to changes in the composition of profit or loss positions of the subsidiaries and associated companies with different local tax rates.

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

Exchange translation gain	(315)	(788)
Loss on disposal of furniture, fixtures and equipment	-	2
Allowance for bad and doubtful debts	3	230
Allowance for stocks obsolescence and stocks written off	826	246
(Write back) / allowance for diminution in value of quoted investment	(19)	29

**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-Mar-06 \$'000	Restated 30-Jun-05 \$'000	31-Mar-06 \$'000	Restated 30-Jun-05 \$'000
<b>NON-CURRENT ASSETS</b>				
Property, furniture, fixtures and equipment	67,764	69,019	34,007	34,380
Interest in subsidiaries	-	-	43,235	44,420
Interest in joint ventures	-	-	-	150
Interest in associated companies	11,857	10,426	-	-
Other investments	332	283	332	283
Deferred tax assets	304	527	-	-
	<u>80,257</u>	<u>80,255</u>	<u>77,574</u>	<u>79,233</u>
<b>CURRENT ASSETS</b>				
Stocks	37,145	32,617	-	-
External trade debtors	18,728	12,023	-	-
Trade debts due from related companies	9,738	7,685	-	-
Other debtors	8,783	6,193	760	690
Cash on hand and at banks	12,478	14,765	7,519	7,714
	<u>86,872</u>	<u>73,283</u>	<u>8,279</u>	<u>8,404</u>
<b>CURRENT LIABILITIES</b>				
Trade and other creditors	45,002	36,087	1,976	880
Finance lease creditors	106	134	59	75
Bank borrowings	20,472	20,894	-	899
Provision for taxation	2,877	505	411	186
	<u>68,457</u>	<u>57,620</u>	<u>2,446</u>	<u>2,040</u>
<b>NET CURRENT ASSETS</b>	18,415	15,663	5,833	6,364
<b>NON-CURRENT LIABILITIES</b>				
Finance lease creditors	271	338	174	214
Bank borrowings	18,081	18,361	11,200	11,200
Deferred tax liabilities	400	400	400	400
	<u>18,752</u>	<u>19,099</u>	<u>11,774</u>	<u>11,814</u>
<b>NET ASSETS</b>	<u>79,920</u>	<u>76,819</u>	<u>71,633</u>	<u>73,783</u>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital	83,685	57,000	83,685	57,000
Share premium	-	26,685	-	26,685
Warrant reserve	28,025	28,025	28,025	28,025
Exchange translation reserve	(8,278)	(7,204)	-	-
Accumulated losses	(23,636)	(27,687)	(40,077)	(37,927)
	<u>79,796</u>	<u>76,819</u>	<u>71,633</u>	<u>73,783</u>
Minority interest	124	-	-	-
	<u>79,920</u>	<u>76,819</u>	<u>71,633</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 31-Mar-06		As at 30-Jun-05	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
20,578	-	21,028	-

**Amount repayable after one year**

As at 31-Mar-06		As at 30-Jun-05	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
18,352	-	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 \$26,452,000 (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-----	
	Q3 2006	Restated Q3 2005
	\$'000	\$'000
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before taxation	3,188	1,972
Adjustments for:		
Depreciation of property, furniture, fixtures and equipment	1,010	881
Share of results of associated companies	(756)	(621)
Currency realignment	(249)	(66)
Loss on disposal of furniture, fixtures and equipment	-	2
(Write back) / allowance for diminution in value of investment	(19)	29
Interest income	(97)	(26)
Interest expense	465	352
<b>OPERATING PROFIT BEFORE REINVESTMENT IN WORKING CAPITAL</b>	<b>3,542</b>	<b>2,523</b>
(Increase)/decrease in debtors	(285)	1,197
Decrease in stocks	1,445	506
Increase in creditors	(2,930)	(3,958)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>1,772</b>	<b>268</b>
Taxation refund	(416)	(166)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>1,356</b>	<b>102</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of furniture, fixtures and equipment	(792)	(707)
Proceed from sale of plant and equipment	-	79
Loan to associated companies	(253)	(21)
Dilution of a subsidiary	-	(62)
Disposal of joint venture entity	(290)	-
Interest received	197	26
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,138)</b>	<b>(685)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Repayments of bank borrowings	(3,863)	(2,693)
Repayment to finance lease creditors	(29)	(107)
Interest paid	(465)	(352)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(4,357)</b>	<b>(3,152)</b>
Net decrease in cash and cash equivalents	(4,139)	(3,735)
Cash and cash equivalents at beginning of the period	13,453	10,625
Net effect of exchange rate changes on opening cash and cash equivalents	87	8
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>9,401</b>	<b>6,898</b>
Cash and cash equivalents comprise the following:		
Cash and bank balances	12,478	9,394
Bank overdrafts	(3,077)	(2,496)
	<b>9,401</b>	<b>6,898</b>
	-	-

**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
<b><u>GROUP</u></b>							
Balance as at 31 December 2005	57,000	26,685	28,025	(7,486)	(25,187)	124	79,161
Transfer of share premium to share capital account (Note 1)	26,685	(26,685)	-	-	-	-	-
Net profit for the financial period	-	-	-	-	1,551	-	1,551
Exchange differences arising from consolidation	-	-	-	(792)	-	-	(792)
Balance as at 31 March 2006	<u>83,685</u>	<u>-</u>	<u>28,025</u>	<u>(8,278)</u>	<u>(23,636)</u>	<u>124</u>	<u>79,920</u>
Balance as at 31 December 2004	57,000	26,685	28,025	(6,729)	(30,092)	59	74,948
Net profit for the financial period	-	-	-	-	1,216	-	1,216
Exchange differences arising from consolidation	-	-	-	32	-	-	32
Exchange difference arising from a monetary item that in substance forms part of the net investment in a foreign subsidiary	-	-	-	(32)	-	-	(32)
Balance as at 31 March 2005	<u>57,000</u>	<u>26,685</u>	<u>28,025</u>	<u>(6,729)</u>	<u>(28,876)</u>	<u>59</u>	<u>76,164</u>
<b><u>COMPANY</u></b>							
Balance as at 31 December 2005	57,000	26,685	28,025	-	(39,134)	-	72,576
Transfer of share premium to share capital account	26,685	(26,685)	-	-	-	-	-
Net profit for the financial period	-	-	-	-	(943)	-	(943)
Balance as at 31 March 2006	<u>83,685</u>	<u>-</u>	<u>28,025</u>	<u>-</u>	<u>(40,077)</u>	<u>-</u>	<u>71,633</u>
Balance as at 31 December 2004	57,000	26,685	28,025	-	(40,414)	-	71,296
Net profit for the financial period	-	-	-	-	1,142	-	1,142
Balance as at 31 March 2005	<u>57,000</u>	<u>26,685</u>	<u>28,025</u>	<u>-</u>	<u>(39,272)</u>	<u>-</u>	<u>72,438</u>

**Note 1**

With effect from 30 Jan 2006, the concepts of "par value" and "authorised capital" were abolished under the Companies (Amendment) Act 2005 and the amount standing to the credit of the Company's share premium account as at 30 Jan 06 became part of the Company's share capital as at that date.

**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 31 March 2006, 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 31 March 2006 : 285,000,000

As at 31 March 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.**

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 21 - The Effects of Changes in Foreign Exchange Rates, 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 implementation of FRS 16, FRS 21 and FRS 27 is applied retrospectively, hence comparative figures have been restated accordingly.

The effect of implementation of the above new/revised FRS to the Group is as follows:-

	FRS 16 Increase/(decrease) \$'000	FRS 39 \$'000	Net \$'000
Net profit for Q3 2006	(4)	45	41
Net profit for Q3 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 31 Mar 2006:			
- Interest in associated companies	(102)	(284)	(386)
- Trade and other creditors	44	(5)	39

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. Furthermore, in accordance with revised FRS 21, the exchange difference arising from a monetary item that in substance forms part of the net investment in a foreign subsidiary, is recognised in the profit and loss account instead of equity in separate financial statement 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	
	Q3 2006 Cent	Q3 2005 Cent
(a) Based on the weighted average number of ordinary shares in issue; and	0.54	0.43
(b) On a fully diluted basis	0.54	0.43

**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 Cents	COMPANY Cents
Net asset value per ordinary share based on issued share capital as at:		
(a) current financial period reported on	28.00	25.13
(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 Third Quarter – 3 Months Ended 31 March 2006 (Q3 06)**

Group operating revenue for the third quarter grew 24% against the same period in 2005. Net profit before tax rose from S\$2.0 million to S\$3.2 million.

Boosted by strong sales from its core brands, the Southeast Asian markets enjoyed a buoyant quarter. Growth of 49% in the fashion business came from higher sales of GUESS, RAOUL and LA SENZA at existing retail outlets and contributions from other new outlets. The timepiece business grew marginally by 1% due to delay in delivery of certain models of high priced mechanical timepieces pre-ordered by customers.

Timepiece turnover in Hong Kong, Taiwan and China grew 15% with GIRARD-PERREGAUX timepieces achieving a 20% growth in China.

In Australia, as the Group has only 51% interest in the partnership, sales recognized was 52% lower than that of Q3 05.

Indonesia continued to be a growth market with domestic sales increasing by 17% over Q3 05. Operations remained profitable, notwithstanding the higher fuel prices.

The positive effect of growth in business is discernable from the following key performance indicators:

	<u><b>Q3 06</b></u>	<u><b>Q3 05</b></u>
Gross profit margin	41.3%	39.1%
Net profit after tax	S\$1.6 million	S\$1.2 million
Net profit margin after tax	3.4%	3.3%

The Group's Balance Sheet remains strong with cash of S\$12 million against total borrowings of S\$39 million. It registered a gearing of 0.33 times and a net asset value per ordinary share of 28 cents.



Nine (9) months ended 31 March 2006

Group turnover at S\$144.1 million increased by 30% from S\$110.4 million in 2005.

Group profit after taxation increased from S\$2.6 million for the nine months ended 31 March 2005 to S\$6.6 million for the nine months ended 31 March 2006.

**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 third 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.**

With continued optimism in the economy, the market outlook remains positive. The Group will continue to work towards strengthening its earnings base and sustaining growth by expanding its core business activities whilst keeping 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. Full year results for financial year ending 30 June 2006.**

The Company expects to announce its results for the financial year ending 30 June 2006 in the week of 28 August 2006.

**BY ORDER OF THE BOARD**

Karen Chong Mee Keng  
Joint Company Secretary  
11 May 2006