

# 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

### I(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 2008 (3Q08).

	-----GROUP-----		Change %
	3Q08 \$'000	3Q07 \$'000	
TURNOVER	86,981	65,744	32
Other income including interest income	3,229	2,826	14
	<u>90,210</u>	<u>68,570</u>	32
<b>COSTS AND EXPENSES</b>			
Cost of goods sold	51,993	38,503	35
Staff costs	10,397	8,895	17
Rental of premises	10,598	6,590	61
Advertising and promotion	1,947	2,644	(26)
Depreciation of property, furniture, fixtures and equipment	2,306	1,296	78
Other operating expenses	7,429	6,008	24
<b>TOTAL COSTS AND EXPENSES</b>	<u>84,670</u>	<u>63,936</u>	32
<b>OPERATING PROFIT</b>	5,540	4,634	20
Exceptional item - Note 1	(250)	-	-
Interest on borrowings	(461)	(411)	12
Share of results of associates	460	755	(39)
<b>PROFIT BEFORE TAXATION</b>	<u>5,289</u>	<u>4,978</u>	6
Taxation	(928)	(1,654)	(44)
<b>NET PROFIT FOR THE FINANCIAL PERIOD</b>	<u>4,361</u>	<u>3,324</u>	31

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

Exchange translation gain	(2,255)	(1,140)
Loss/(gain) on disposal of furniture, fixtures and equipment	63	(3)
Allowance for bad and doubtful debts	4	1
Allowance for stocks obsolescence and stocks written off	718	792
Reversal of allowance for stocks obsolescence	(84)	-
Impairment loss on quoted investment	88	29

#### Note 1 - Exceptional item

Provision for impairment of investment in an associate	(250)	-
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**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-08 \$'000	30-Jun-07 \$'000	31-Mar-08 \$'000	30-Jun-07 \$'000
<b>NON-CURRENT ASSETS</b>				
Property, furniture, fixtures and equipment	49,645	45,325	6,958	5,839
Subsidiaries	-	-	110,041	111,980
Investment in associates	5,597	4,059	-	-
Other investments	312	322	312	322
Other receivables	2,002	1,954	-	-
Deferred tax assets	941	1,011	-	-
	<u>58,497</u>	<u>52,671</u>	<u>117,311</u>	<u>118,141</u>
<b>CURRENT ASSETS</b>				
Inventories	91,832	74,984	-	-
External trade debtors	23,420	21,115	-	-
Trade debts due from related companies	37,239	31,602	-	-
Tax recoverable	1,132	1,314	-	-
Other debtors	26,472	25,905	38,232	21,817
Cash on hand and at banks	22,869	96,130	10,240	91,196
	<u>202,964</u>	<u>251,050</u>	<u>48,472</u>	<u>113,013</u>
<b>CURRENT LIABILITIES</b>				
Trade and other creditors	65,911	62,348	10,216	12,491
Finance lease creditors	69	89	56	36
Bank borrowings	46,176	34,714	-	-
Provision for taxation	3,884	4,852	82	25
	<u>116,040</u>	<u>102,003</u>	<u>10,354</u>	<u>12,552</u>
<b>NET CURRENT ASSETS</b>	86,924	149,047	38,118	100,461
<b>NON-CURRENT LIABILITIES</b>				
Finance lease creditors	620	481	437	366
Other liabilities	2,583	2,583	-	-
Deferred tax liabilities	40	40	-	-
	<u>3,243</u>	<u>3,104</u>	<u>437</u>	<u>366</u>
<b>NET ASSETS</b>	<u>142,178</u>	<u>198,614</u>	<u>154,992</u>	<u>218,236</u>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>				
Share capital	165,447	215,134	165,447	215,134
Warrant reserve	-	4,125	-	4,125
Exchange translation reserve	(15,457)	(10,548)	-	-
Accumulated losses	(7,936)	(10,221)	(10,455)	(1,023)
	<u>142,054</u>	<u>198,490</u>	<u>154,992</u>	<u>218,236</u>
Preference shares issued by a subsidiary	124	124	-	-
	<u>142,178</u>	<u>198,614</u>	<u>154,992</u>	<u>218,236</u>

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

	-----GROUP-----	
	31-Mar-08	30-Jun-07
	\$'000	\$'000
Amount repayable in one year or less, or on demand - unsecured	46,245	34,803
Amount repayable after one year - unsecured	620	481
Total borrowings	46,865	35,284
Cash on hand and at banks	(22,869)	(96,130)
Net borrowings / (net cash)	23,996	(60,846)

**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-----	
	3Q08	3Q07
	\$'000	\$'000
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before taxation	5,289	4,978
Adjustments for:		
Depreciation of property, furniture, fixtures and equipment	2,306	1,296
Share of results of associates	(460)	(755)
Currency realignment	(1,181)	(348)
Loss/(gain) on disposal of furniture, fixtures and equipment	63	(3)
Impairment loss on other investment	88	29
Amortised interest on loan to an associate	-	(32)
Gain on early settlement of loan to an associate	-	(415)
Interest income	(116)	(162)
Interest expense	461	411
<b>OPERATING PROFIT BEFORE REINVESTMENT IN WORKING CAPITAL</b>	6,450	4,999
Increase in debtors	(1,763)	(2,738)
Increase in inventories	(3,464)	(5,393)
Increase/(decrease) in creditors	438	(18,060)
<b>CASH FROM / (USED IN) OPERATIONS</b>	1,661	(21,192)
Income tax paid	(2,129)	(605)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	(468)	(21,797)
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of furniture, fixtures and equipment	(4,699)	(1,426)
Proceeds from disposal of furniture, fixtures and equipment	6	10
Dividend received from an associate	-	6,375
Loan to associates	-	(6,563)
Interest received	116	162
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(4,577)	(1,442)
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from issuance of ordinary shares	-	44,098
Distribution of capital	(73,932)	-
Repayment of bank borrowings	(1,690)	(7,037)
Decrease in finance lease	(41)	(23)
Interest paid	(461)	(411)
Dividend paid to shareholders	(5,118)	(5,392)
<b>NET CASH (USED IN) / FROM FINANCING ACTIVITIES</b>	(81,242)	31,235
Net (decrease)/increase in cash and cash equivalents	(86,287)	7,996
Cash and cash equivalents at beginning of the financial period	96,971	52,327
Net effect of exchange rate changes on opening cash and cash equivalents	30	37
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	10,714	60,360
Cash and cash equivalents comprise the following:		
Cash and bank balances	22,869	68,264
Bank overdrafts	(12,155)	(7,904)
	10,714	60,360

**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	Warrant Reserve \$'000	Exchange Translation Reserve \$'000	(Accumulated Losses) \$'000	Preference shares issued by a subsidiary \$'000	Total Equity \$'000
<b><u>GROUP</u></b>						
At 1 January 2008	239,379	-	(13,139)	(7,179)	124	219,185
Net profit for the financial period	-	-	-	4,361	-	4,361
Exchange differences arising from consolidation recognised in equity	-	-	(2,318)	-	-	(2,318)
Total recognised income and expenses for the period	-	-	(2,318)	4,361	-	2,043
Interim dividend paid	-	-	-	(5,118)	-	(5,118)
Capital distribution	(73,932)	-	-	-	-	(73,932)
At 31 March 2008	165,447	-	(15,457)	(7,936)	124	142,178
At 1 January 2007	116,936	21,979	(10,322)	(12,543)	124	116,174
Net profit for the financial period	-	-	-	3,324	-	3,324
Exchange differences arising from consolidation recognised in equity	-	-	(574)	-	-	(574)
Total recognised income and expenses for the period	-	-	(574)	3,324	-	2,750
Interim dividend paid	-	-	-	(5,392)	-	(5,392)
Exercise of warrants	53,897	(9,799)	-	-	-	44,098
At 31 March 2007	170,833	12,180	(10,896)	(14,611)	124	157,630
<b><u>COMPANY</u></b>						
At 1 January 2008	239,379	-	-	(4,796)	-	234,583
Net loss for the financial period	-	-	-	(541)	-	(541)
Dividend paid	-	-	-	(5,118)	-	(5,118)
Capital distribution	(73,932)	-	-	-	-	(73,932)
At 31 March 2008	165,447	-	-	(10,455)	-	154,992
At 1 January 2007	116,936	21,979	-	(1,584)	-	137,331
Net loss for the financial period	-	-	-	(839)	-	(839)
Interim dividend paid	-	-	-	(5,392)	-	(5,392)
Exercise of warrants	53,897	(9,799)	-	-	-	44,098
At 31 March 2007	170,833	12,180	-	(7,815)	-	175,198

**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.**

During the reported period, a total of \$73,932,000, being capital distribution of \$0.13 for each issued share was paid. This did not result in any cancellation of shares and number of shares issued remained the same.

As at 31 March 2008, there was no outstanding warrant. The number of shares that may be issued on exercising of all the outstanding warrants were as follows:

As at 31 March 2008 : Nil

As at 31 March 2007 : 126,550,000

**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 March 2008: 568,709,857

As at 31 March 2007: 443,450,000

**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 share 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.**

The Group and the Company have adopted the following FRS and INT FRS that have been issued and effective for its financial year beginning 1 July 2007:

FRS 1: Amendment to FRS 1 (revised), Presentation of Financial Statements (Capital Disclosures)

FRS 40: Investment Property

FRS 107: Financial Instruments: Disclosures

INT FRS 110: Interim Financial Reporting and Impairment

INT FRS 111: Group and Treasury Share Transactions

There is no material financial impact on the financial statements of the Group and 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	
	3Q08	3Q07
(a) Basic (cents)	0.77	0.87
(b) Diluted (cents)	0.77	0.65

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 (3Q07: 382,986,011) and 568,709,857 (3Q07: 509,536,011) respectively.

**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 year.**

	GROUP	COMPANY
Net asset value per ordinary share based on issued share capital as at:		
(a) current financial period reported on (cents)	24.98	27.25
(b) immediately preceding financial period (cents)	37.88	41.65

- 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 2008 ( 3Q08)**

Group revenue grew by 32% to S\$87.0 million from S\$65.7 million. Net profit after tax increased by 31% to S\$4.4 million from S\$3.3 million.

Gross margin was reduced by 1.2 percentage points from 41.4% to 40.2%. This is due in part to the lower margins registered on sales to a new distributor / retailer in China and to the extended sale period beyond the Chinese New Year festive season, which allowed the Group to reduce excess stockholding amid the soft consumer environment.

Turnover from the fashion business was up 40% to \$60.7 million, and contributed 70% to total turnover, compared to 66% in 3Q07. This is partly attributable to the new retail stores opened and the contribution from Gap and Banana Republic. Contributions from the timepiece business were up 32% to \$25.6 million with growth in both the luxury timepieces and lifestyle timepieces.

In Southeast Asia, revenue grew by 34% compared to 3Q07 with the fashion business growing by 40% and timepiece business by 39%.

In North Asia, revenue grew by 22% compared to 3Q07 with positive growth coming from China, Hong Kong and Taiwan, fuelled by continued strong consumer demand.

Indonesia continued to be a growth market with domestic sales increasing by 1.5 times over 3Q07. However the depreciation in the Rupiah to the US dollars of approximately 7.5% has affected profitability resulting in a lower operating profit for 3Q08.

Group operating expenses were higher by 28% at S\$32.7 million mainly attributable to new stores that were opened since 3Q07 to support the expansion for future growth. However, cost to revenue ratio has improved from 38.7% in previous corresponding quarter to 37.6% in this reporting quarter.

The Group's Balance Sheet remains strong with low gearing of 0.17 times and improving cash flow.

**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 its enlarged retail footprint, the Group intends to further leverage its presence in the region by growing its market share and reaping further economies in a competitive environment, while continuing to be vigilant in cost discipline and inventory management. It will also focus on enhancing the performance of its new stores in newly launched iconic malls in Kuala Lumpur and Jakarta.

While the Group anticipates a challenging economic climate for the next 6 – 12 months, with continuing uncertainties in global and regional financial markets, it remains positive about the fundamentals of its business and the region. With its strong balance sheet, low gearing and improving cash flow, the Group is well positioned to take advantage of investment / new business opportunities which may present itself, as international brands look to Asia for further growth.

Recently, the Group announced the extension of its 17-year franchise and distribution relationship with Guess Inc. to 2014, with an extension to 2019 upon meeting certain terms and conditions. It also today announced the signing of distribution agreement with the Swatch Group for RADO timepieces in Indonesia.

**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/recommendeded, a statement to that effect.**

No dividend has been recommended.

**13. Full financial year results for financial year ending 30 June 2008.**

The Company expects to announce its results for the financial year ending 30 June 2008 in the week of 25th August 2008.

**BY ORDER OF THE BOARD**

Karen Chong Mee Keng  
Dilhan Pillay Sandrasegara  
Joint Company Secretaries  
14 May 2008