



**FJ BENJAMIN**

**F J BENJAMIN HOLDINGS LTD**

**Company Registration Number: 197301125N**

**Condensed interim consolidated financial statements**

**For the six months ended 31 December 2021**

**Table of contents**

	<b>Page</b>
A. Condensed interim consolidated statement of profit or loss and other comprehensive income	1
B. Condensed interim statements of financial position	2
C. Condensed interim statements of changes in equity	3
D. Condensed interim consolidated statement of cash flows	4
E. Notes to the condensed interim consolidated financial statements	5
F. Other information required pursuant to Appendix 7C of the Catalist Rules	15

**A Condensed interim consolidated statement of profit or loss and other comprehensive income**

	Note	-----GROUP-----		Change %
		6 months ended 31 Dec 2021	6 months ended 31 Dec 2020	
		\$'000	\$'000	
Turnover		36,164	37,955	(5)
Cost of goods sold		(19,269)	(19,226)	0
<b>Gross Profit</b>		<u>16,895</u>	<u>18,729</u>	(10)
Other income, net	6	568	1,463	(61)
Staff costs		(7,002)	(7,540)	(7)
Rental of premises		115	(1,182)	nm
Advertising and promotion		(1,182)	(1,020)	16
Depreciation of furniture, fixtures and equipment		(979)	(1,194)	(18)
Depreciation of right-of-use assets		(5,640)	(6,459)	(13)
Other operating expenses	6	(3,764)	(4,265)	(12)
Operating loss		<u>(989)</u>	<u>(1,468)</u>	(33)
Interest expenses from borrowings		(366)	(414)	(12)
Interest expenses from lease liabilities		(216)	(375)	(42)
Foreign exchange gain, net		50	419	(88)
Share of results of associate, net of tax		313	(1,844)	nm
<b>Loss before tax</b>		<u>(1,208)</u>	<u>(3,682)</u>	(67)
Income tax expenses	7	(121)	(35)	> 100
<b>Net loss for the period</b>		<u><u>(1,329)</u></u>	<u><u>(3,717)</u></u>	(64)
<b>Other comprehensive income:</b>				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation		(139)	288	nm
<b>Total comprehensive income for the period</b>		<u><u>(1,468)</u></u>	<u><u>(3,429)</u></u>	(57)
<b>Net loss attributable to:</b>				
Equity holders of the parent		(1,329)	(3,717)	
Non-controlling interests		-	-	
		<u><u>(1,329)</u></u>	<u><u>(3,717)</u></u>	
<b>Total comprehensive income attributable to:</b>				
Equity holders of the parent		(1,468)	(3,429)	
Non-controlling interests		-	-	
		<u><u>(1,468)</u></u>	<u><u>(3,429)</u></u>	
<b>Loss per share (cents)</b>				
Basic and diluted	8	<u>(0.12)</u>	<u>(0.41)</u>	

nm - not meaningful

## B Condensed interim statements of financial position

	Note	-----GROUP-----		-----COMPANY-----	
		31 Dec 2021 \$'000	30 June 2021 \$'000	31 Dec 2021 \$'000	30 June 2021 \$'000
<b>NON-CURRENT ASSETS</b>					
Furniture, fixtures and equipment	11	3,265	4,244	194	220
Right-of-use assets		10,421	15,009	81	125
Subsidiaries		-	-	39,957	39,933
Investment in associate		12,179	12,127	-	-
Deferred tax assets		369	369	-	-
		<u>26,234</u>	<u>31,749</u>	<u>40,232</u>	<u>40,278</u>
<b>CURRENT ASSETS</b>					
Inventories		25,625	26,452	-	-
External trade debtors		1,493	1,693	-	-
Trade debts due from associate		9,230	9,456	-	-
Other debtors		10,254	10,272	354	48
Prepayments and advances		578	354	69	16
Tax recoverable		392	505	-	-
Cash on hand and at bank		12,734	12,154	3,080	4,446
		<u>60,306</u>	<u>60,886</u>	<u>3,503</u>	<u>4,510</u>
<b>CURRENT LIABILITIES</b>					
Trade and other creditors		24,572	20,735	1,580	1,088
Borrowings	12	15,032	18,077	18	18
Lease liabilities		7,845	10,351	93	89
		<u>47,449</u>	<u>49,163</u>	<u>1,691</u>	<u>1,195</u>
<b>NET CURRENT ASSETS</b>		<b>12,857</b>	<b>11,723</b>	<b>1,812</b>	<b>3,315</b>
<b>NON-CURRENT LIABILITIES</b>					
Other creditors		-	-	8,687	9,753
Borrowings	12	3,977	4,714	103	112
Lease liabilities		3,292	5,492	13	60
		<u>7,269</u>	<u>10,206</u>	<u>8,803</u>	<u>9,925</u>
<b>NET ASSETS</b>		<b>31,822</b>	<b>33,266</b>	<b>33,241</b>	<b>33,668</b>
<b>EQUITY</b>					
Share capital	13	183,229	183,229	183,229	183,229
Foreign currency translation reserve		(772)	(633)	-	-
Other reserves		395	395	-	-
Accumulated losses		(151,054)	(149,725)	(149,988)	(149,561)
Equity attributable to equity holders of the parent		<u>31,798</u>	<u>33,266</u>	<u>33,241</u>	<u>33,668</u>
Non-controlling interests		24	-	-	-
<b>TOTAL EQUITY</b>		<b>31,822</b>	<b>33,266</b>	<b>33,241</b>	<b>33,668</b>

**C Condensed interim statements of changes in equity**

	----- Attributable to the equity holders of the parent -----						
	Share Capital	Foreign Currency Translation Reserve	Other Reserves	Accumulated Losses	Total	Non- controlling interest	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>GROUP</b>							
At 1 July 2021	183,229	(633)	395	(149,725)	33,266	-	33,266
Loss for the period	-	-	-	(1,329)	(1,329)	-	(1,329)
<u>Other comprehensive income</u>							
Foreign currency translation	-	(139)	-	-	(139)	-	(139)
Total comprehensive income for the period	-	(139)	-	(1,329)	(1,468)	-	(1,468)
<u>Contributions by owners</u>							
Capital contribution from a non-controlling interest	-	-	-	-	-	24	24
Total contributions by owners	-	-	-	-	-	24	24
At 31 December 2021	183,229	(772)	395	(151,054)	31,798	24	31,822
At 1 July 2020	176,955	(652)	437	(138,854)	37,886	-	37,886
Loss for the period	-	-	-	(3,717)	(3,717)	-	(3,717)
<u>Other comprehensive income</u>							
Foreign currency translation	-	288	-	-	288	-	288
Total comprehensive income for the period	-	288	-	(3,717)	(3,429)	-	(3,429)
At 31 December 2020	176,955	(364)	437	(142,571)	34,457	-	34,457
<b>COMPANY</b>							
At 1 July 2021	183,229	-	-	(149,561)	33,668	-	33,668
Total comprehensive income for the period	-	-	-	(427)	(427)	-	(427)
At 31 December 2021	183,229	-	-	(149,988)	33,241	-	33,241
At 1 July 2020	176,955	-	-	(144,289)	32,666	-	32,666
Total comprehensive income for the period	-	-	-	(1,031)	(1,031)	-	(1,031)
At 31 December 2020	176,955	-	-	(145,320)	31,635	-	31,635

## D Condensed interim consolidated statement of cash flows

	-----GROUP-----	
	6 months ended 31 Dec 2021 \$'000	6 months ended 31 Dec 2020 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Loss before tax	(1,208)	(3,682)
Adjustments for:		
Depreciation of furniture, fixtures and equipment	979	1,194
Depreciation of right-of-use assets	5,640	6,459
Share of results of associate, net of tax	(313)	1,844
Currency realignment	123	(247)
Loss/ (gain) on disposal of furniture, fixtures and equipment	10	(109)
Interest income	(1)	(6)
Interest expenses from borrowings	366	414
Interest expenses from lease liabilities	216	375
Allowance/ (reversal) for inventory obsolescence and inventories written off, net	49	(204)
(Reversal)/ allowance for expected credit losses and bad debts written off	(3)	128
<b>OPERATING CASH FLOWS BEFORE WORKING CAPITAL CHANGES</b>	<b>5,858</b>	<b>6,166</b>
Decrease/ (Increase) in debtors	447	(230)
Increase in prepayments and advances	(224)	(137)
Decrease in inventories	778	4,143
Increase/ (Decrease) in creditors	3,837	(244)
<b>CASH FLOW GENERATED FROM OPERATIONS</b>	<b>10,696</b>	<b>9,698</b>
Interest received	1	5
Income tax paid	(8)	(226)
<b>NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES</b>	<b>10,689</b>	<b>9,477</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of furniture, fixtures and equipment	(13)	(203)
Proceeds from disposal of furniture, fixtures and equipment	1	115
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(12)</b>	<b>(88)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Capital contribution from a non-controlling interest	24	-
Repayment of bank borrowings	(2,360)	(3,540)
Repayment of other borrowings	(54)	(228)
Interest paid	(366)	(414)
Payment of lease liabilities	(5,974)	(6,709)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<b>(8,730)</b>	<b>(10,891)</b>
Net increase/ (decrease) in cash and cash equivalents	1,947	(1,502)
Cash and cash equivalents at beginning of financial period	9,133	8,515
Net effect of exchange rate changes on opening cash and cash equivalents	1	30
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>11,081</b>	<b>7,043</b>
<u>Cash and cash equivalents comprise the following:</u>		
Cash on hand and at bank	12,734	8,957
Bank overdrafts	(1,653)	(1,914)
	<b>11,081</b>	<b>7,043</b>

## **E. Notes to the condensed interim consolidated financial statements**

### **1. Corporate information**

F J Benjamin Holdings Ltd (the Company) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST). These condensed interim consolidated financial statements as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (the Group).

The principal activities of the Company are those of investment holding and the provision of management services to its subsidiaries. The principal activities of the subsidiaries are those of investment holding and importers, distributors and retailers of consumer fashion wear, accessories, timepieces and health and wellness products.

### **2. Basis of preparation**

The condensed interim consolidated financial statements for the six months ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 30 June 2021.

The accounting policies and methods of computations adopted for the condensed interim consolidated financial statements are consistent with those adopted by the Company in its most recently audited annual consolidated financial statements for the year ended 30 June 2021, which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1 below.

The condensed interim consolidated financial statements are presented in Singapore dollar which is the Company's functional currency.

For the interim financial statements ended 31 December 2021, the Group incurred a net loss of \$1.3 million (1H2021: \$3.7 million). The condensed interim consolidated financial statements have been prepared on a going concern basis as directors of the Company are of the view that the Group will be able to continue to generate net cash inflows from operating activities for a period of 12 months from the date these financial statements were approved, to meet their financial obligations as and when they fall due.

#### **2.1 New and amended standards adopted by the Group**

A number of amendments to the standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

#### **2.2 Use of judgements and estimates**

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the most recently audited annual consolidated financial statements as at and for the year ended 30 June 2021.

Estimates and underlying assumptions are reviewed on on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### 3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period reported on.

### 4. Segment and revenue information

For management purpose, the Group is organised into business units based on their channel of distribution and has three reportable operating segments as follows:

- i. The Ongoing Retail segment is involved in the operation of retail stores specialising in the retail of consumer fashion wear, accessories and timepieces.
- ii. The Distribution segment is involved in the distribution of consumer fashion wear, accessories, home furnishings, timepieces and health and wellness products.
- iii. The Export segment is involved in the export of the consumer fashion wear, accessories and timepieces and health and wellness products.

These operating segments are reported in the manner consistent with internal reporting provided to management who are responsible for allocating resources and assessing performance of the operating segments.

#### 4.1 Reportable segments

	<b>Ongoing Retail</b>	<b>Distribution</b>	<b>Export</b>	<b>Corporate and Others</b>	<b>Group</b>
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>1 Jul 2021 – 31 Dec 2021</b>					
Sales to external consumers	30,265	2,224	3,675	-	36,164
Segment results	209	14	368	(1,531)	(940)
Interest income					1
Interest expenses from borrowings					(366)
Interest expenses from lease liabilities					(216)
Share of results of associate, net of tax					313
Loss before tax					(1,208)
Income tax expenses					(121)
Net loss for the period					(1,329)

#### 4.1 Reportable segments (continued)

	Ongoing Retail	Distribution	Export	Corporate and Others	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>1 Jul 2020 – 31 Dec 2020</b>					
Sales to external consumers	32,549	3,769	1,637	-	37,955
Segment results	(219)	387	241	(1,464)	(1,055)
Interest income					6
Interest expenses from borrowings					(414)
Interest expenses from lease liabilities					(375)
Share of results of associate, net of tax					(1,844)
Loss before tax					(3,682)
Income tax expenses					(35)
Net loss for the period					(3,717)

	Ongoing Retail	Distribution	Export	Corporate and Others	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>1 Jul 2021 – 31 Dec 2021</b>					
Segment assets	52,325	3,658	4,129	7,988	68,100
Investment in associate	-	-	-	12,179	12,179
	52,325	3,658	4,129	20,167	80,279
Unallocated assets					6,261
Total assets					86,540
Segment liabilities	30,233	2,089	2,406	2,790	37,518
Unallocated liabilities					17,200
Total liabilities					54,718
Capital expenditure	-	-	-	13	13
Depreciation of furniture, fixtures and equipment	886	55	-	38	979
Depreciation of right-of-use assets	5,421	79	97	43	5,640



#### 4.1 Reportable segments (continued)

	Ongoing Retail	Distribution	Export	Corporate and Others	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>1 Jul 2020 – 31 Dec 2020</b>					
Segment assets	58,960	5,517	2,026	8,052	74,555
Investment in associate	–	–	–	13,845	13,845
	58,960	5,517	2,026	21,897	88,400
Unallocated assets					6,571
Total assets					94,971
Segment liabilities	35,744	2,964	1,237	3,060	43,005
Unallocated liabilities					17,509
Total liabilities					60,514
Capital expenditure	40	–	–	306	346
Depreciation of furniture, fixtures and equipment	996	109	–	89	1,194
Depreciation of right- of-use assets	6,240	134	44	41	6,459

#### Business segments

Assets and liabilities which are common and cannot be meaningfully allocated to the business segments are presented as unallocated assets and liabilities, as shown in the table below.

	31 Dec 2021 \$'000	31 Dec 2020 \$'000
<b>Unallocated assets</b>		
Other debtors	5,500	5,500
Deferred tax assets	369	382
Tax recoverable	392	689
	6,261	6,571
<b>Unallocated liabilities</b>		
Bank borrowings (excluding bank overdrafts)	17,200	17,507
Provision for taxation	–	2
	17,200	17,509

#### 4.1 Reportable segments (continued)

##### Geographical segments

Revenue, non-current assets and capital expenditure information based on geographical location of customers and assets respectively are as follows:

	Southeast Asia \$'000	Other \$'000	Group \$'000
<b>1 Jul 2021 – 31 Dec 2021</b>			
Turnover	36,103	61	36,164
Other geographical information:			
Non-current assets	26,232	2	26,234
Capital expenditure	11	2	13
<b>1 Jul 2020 – 31 Dec 2020</b>			
Turnover	37,955	–	37,955
Other geographical information:			
Non-current assets	36,495	1	36,496
Capital expenditure	346	–	346

#### 5. Financial assets and financial liabilities

Set below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 30 June 2021.

	Group		Company	
	31 December 2021 \$'000	30 June 2021 \$'000	31 December 2021 \$'000	30 June 2021 \$'000
<b>Financial assets measured at amortised cost</b>				
Receivables from subsidiaries	–	–	31,928	31,904
Trade debtors	10,723	11,149	–	–
Other debtors	10,254	10,271	354	48
Cash on hand and at bank	12,734	12,154	3,080	4,446
	<u>33,711</u>	<u>33,574</u>	<u>35,362</u>	<u>36,398</u>
<b>Financial asset carried at fair value through profit or loss</b>				
Derivative financial assets	–	1		
<b>Financial liabilities measured at amortised cost</b>				
Trade and other creditors	23,809	19,961	10,267	10,841
Borrowings	19,009	22,791	121	130
	<u>42,818</u>	<u>42,752</u>	<u>10,388</u>	<u>10,971</u>

## 6. Loss before tax

### 6.1 Significant items

	Group	
	6 months ended 31 December 2021 \$'000	6 months ended 31 December 2020 \$'000
<b>Income</b>		
Market support and administrative service income	133	225
Government grants	417	1,070
(Loss) / gain on disposal of furniture, fixtures and equipment	(10)	109
	<hr/>	<hr/>
<b>Expenses</b>		
Write-back for inventory obsolescence, net	(117)	(297)
Inventories written down	166	93
(Reversal)/ allowance for expected credit losses and bad debts written off	(3)	128
Outlet related expenses	687	718
Utilities	155	204
Royalties	113	213
Freight, warehousing, handling and shipping costs	918	917
Professional and legal fees	289	335
Directors' fees of directors of the Company	102	103
Telecommunication	118	156
Repair and maintenance	221	255
	<hr/>	<hr/>

### 6.2 Related party transactions

During the six months ended 31 December 2021 and 2020, the Group has entered into transactions with related parties on terms agreed between the parties, as shown below:

	6 months ended 31 December 2021 \$'000	6 months ended 31 December 2020 \$'000
	Sale of goods to associate	3,404
Market support and administrative service income from associate	133	225
	<hr/>	<hr/>

## 7. Income tax expenses

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

The major components of income tax expense for the six months ended 31 December 2021 and 2020 are:

	Group	
	6 months ended 31 December 2021	6 months ended 31 December 2020
	\$'000	\$'000
Current income tax expense	121	35
Deferred income tax relating to origination and reversal of temporary differences	-	-
	<u>121</u>	<u>35</u>

## 8. Loss Per Share

The basic loss per share amounts are calculated by dividing the loss for the respective financial periods that is attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the respective financial periods.

Diluted loss per share amounts are calculated by dividing the loss for the respective financial periods that is attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the respective financial periods plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflected the loss and share data used in the computation for basic and diluted loss per share:

	Group	
	6 months ended 31 December 2021	6 months ended 31 December 2020
	\$'000	\$'000
Net loss for the financial period attributable to owners of the Company used in the computation of basic and diluted loss per share	(1,329)	(3,717)
	'000	'000
Weighted average number of ordinary shares for basic and diluted loss per share computation	1,067,314	909,936

For the six months ended 31 December 2021, the Company did not have any potential dilutive instruments. For the six months ended 31 December 2020, the Company's outstanding warrants were not included in the calculation of diluted loss per share above because they are anti-dilutive.

## 9. Net Asset Value

	Group		Company	
	31 December 2021	30 June 2021	31 December 2021	30 June 2021
	Cents	Cents	Cents	Cents
Net asset value per ordinary share	2.98	3.12	3.11	3.15

The calculation of net asset value per ordinary share was based on 1,067,313,903 shares as at 31 December 2021 (30 June 2021: 1,067,313,903).

## 10. Financial assets at fair value through other comprehensive income

### 10.1 Fair value measurement

The Group categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- i. Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can assess at the measurement date,
- ii. Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- iii. Level 3 - Unobservable inputs for the assets or liability.

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group			Total
	Fair value measurements at the end of the reporting period using:			
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets carried at fair value through profit or loss</b>				
Derivative financial assets	–	–	–	–
<b>Financial assets as at 31 December 2021</b>	–	–	–	–
<b>Financial liabilities carried at fair value through profit or loss</b>				
Derivative financial assets	–	1	–	1
<b>Financial assets as at 30 June 2021</b>	–	1	–	1

## 11. Furniture, fixtures and equipment

	Group	
	6 months ended 31 December 2021	6 months ended 31 December 2020
	\$'000	\$'000
Addition	13	346
Disposal	1,058	545

## 12. Borrowings

	Group	
	31 December 2021	30 June 2021
	\$'000	\$'000
Amount repayable in one year or less, or on demand		
- Unsecured	15,032	17,296
- Secured	-	781
Amount repayable after one year		
- Unsecured	3,977	4,714
- Secured	-	-
Total borrowings	19,009	22,791
Cash on hand and at banks	(12,734)	(12,154)
Net borrowings	6,275	10,637

The secured term loan was secured by second legal mortgage over a personal property of a Director of the Group and personal guarantees from certain Directors of the Group.

## 13. Share capital

	Group and Company			
	31 December 2021		30 June 2021	
	No. of shares '000	Amount \$'000	No. of shares '000	Amount \$'000
<u>Ordinary shares issued and fully paid</u>				
Beginning of interim period	1,067,314	183,229	909,936	176,955
Issuance of shares from exercise of warrants	-	-	157,378	6,295
Share issuance expenses	-	-	-	(21)
	1,067,314	183,229	1,067,314	183,229

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

On 5 April 2018 and 6 April 2018, the Company allotted and issued 341,225,914 new ordinary shares at \$0.035 per new share and 682,451,828 free detachable warrants to its shareholders. Each warrants carries the rights to subscribe one new ordinary share in the capital of the Company at an exercise price of \$0.04 per warrant for each new share. The warrants had expired on 5 April 2021. The newly issued shares ranked *pari passu* in all respects with the previously issued shares. During the six months ended 30 June 2021, 157,378,132 shares were issued upon exercise of warrants. As at 31 December 2021 and 30 June 2021, there were no outstanding convertibles for conversion into ordinary shares.

The Company did not hold any treasury shares as at 31 December 2021, 30 June 2021 and 31 December 2020.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021, 30 June 2021 and 31 December 2020.

#### **14. Subsequent event**

The Company raised \$3 million through a placement of 120 million shares at \$0.025 apiece to Western Properties Pte Ltd, a member of Far East Organization. This followed approval from shareholders at an Extraordinary General Meeting held on 28 January 2022.

## **F. Other information required pursuant to Appendix 7C of the Catalist Rules**

### **1. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The condensed interim consolidated statement of financial position of F J Benjamin Holdings Ltd and its subsidiaries as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended and the explanatory notes have not been audited or reviewed by the Company's auditors.

### **2. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

### **3. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—**

**(a) Updates on the efforts taken to resolve each outstanding audit issue.**

**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable. The Group's latest audited financial statements for the financial year ended 30 June 2021 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the Company's auditors.

### **4. Review of performance of the Group**

#### **(i) Review of Results for Half Year Ended 31 December 2021 (1H22)**

Group revenue for the six months ended 31 December 2021 (1H22) fell 5% from \$38.0 million to \$36.2 million. Loss after tax amounted to \$1.3 million, an improvement from \$3.7 million in the same period last year (1H21). This improvement is largely fuelled by net profit of \$2.2 million in second quarter – October to December 2021 (2Q22), (2Q21: net loss of \$933,000).

Sales in Singapore fell 12% from a year ago while sales in Malaysia declined by 9%, resulting from the downtime from shop and mall closures, amongst other COVID-19 movement restrictions.

In Singapore, authorities eased restrictions from 22 November 2021, allowing social gathering of five people compared with two previously. The Government also relaxed the limits on mall capacity. Sales for the 2Q22 was comparable with same period last year.

In Malaysia, the lockdown effected on 1 June 2021 was lifted and stores were allowed to open in stages from 16 August to 26 August 2021. Interstate travel ban was lifted for vaccinated individuals from 11 October 2021. Sales for 2Q22 was up 71 percent from the same period last year.

During the period under review, turnover for our associate company in Indonesia increased by 4% in 1H22, similarly aided by the lifting of COVID-19 movement restrictions from 24 August 2021 when malls were allowed to operate at 50% capacity. All restrictions were finally lifted from 2 November 2021. Export sales to the associate company in Indonesia more than doubled from \$1.5 million in 1H21 to \$3.4 million in 1H22 as the associate company bought more to meet demand. The Group's share of profit returned to the black at \$313,000 from an operating loss of \$1.8 million in the previous corresponding period.



The Group online business now includes nine brands and has seen encouraging results after ramping up our marketing activities just before the COVID-19 lockdown in 2020. During the first half of the current financial year ending 30 June 2022, turnover from online channels accounted for 8% of total sales in Singapore and 4% in Malaysia (an improvement from 2% in 1H21). We are currently pursuing other brands to add to our online platform.

Gross profit margin declined from 49% to 47% during the period under review as Malaysia took the opportunity to clear stock to satisfy pent up demand built up during the various lockdowns.

Group operating expenses fell 15% to \$18.5 million mainly due to rental rebates and lower operating expenses, partially offset by increased advertising spending on social media for our e-commerce websites.

Other income fell 61% to \$568,000 mainly due to lower wage credits under Singapore's Jobs Support Scheme in 1H22.

**(ii) Balance sheet**

Right-of-use assets decreased by \$4.6 million mainly due to depreciation charge of \$5.6 million offset by renewal of leases of \$1 million. Correspondingly, lease liabilities decreased by \$4.7 million mainly due to payment of lease liabilities.

Inventory decreased by 3% to \$25.6 million as a result of higher demand for some fashion brands and more clearance sales for timepieces.

Trade and other creditors increased by \$3.8 million mainly due to receipt of back order deliveries in late November and early December.

Net borrowings totalled \$6.3 million, down from \$10.6 million as at 30 June 2021, and gearing stood at 20% against 32% as at 30 June 2021.

**(iii) Cash Flows**

As at 31 December 2021, the Group generated net cash flows of \$10.7 million from operating activities and repaid bank borrowings and interest expense of \$2.7 million.

**5. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

**6. A commentary at the date of the 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 operating period and the next 12 months**

Although COVID-19 infections continue to spread, particularly with the more transmissible Omicron variant, the progressive rollout of vaccination and booster shots in our markets augurs well for continued business recovery. Management is cautiously optimistic of prospects ahead as Singapore and the region begin to open their borders to vaccinated travellers. The Group will continue to strengthen our online sales capabilities with further investments in digital marketing and technology.

As business returns to normalcy, the Company would be looking for business opportunities to strengthen its existing portfolio. The timely investment by Far East Organization would allow the parties to explore other business opportunities.

**7. Dividend information**

**7a. Current financial period reported on**

Any dividend recommended for the current financial period reported on?  
No.

**7b. Corresponding period of the immediate preceding financial year**

Any dividend declared for the corresponding period of the immediate preceding financial year?  
No.

**7c. Date payable**

Not applicable.

**7d. The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined**

Not applicable.

**7e. If not dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended as the Company incurred losses for the financial period.

**8. Interested persons transactions**

The Company does not have an IPT mandate.

**9. Confirmation pursuant to Rule 705(5) of the Catalist Rules**

To the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the interim financial statements for the six months ended 31 December 2021 to be false or misleading in any material aspect.

**10. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules**

The Company has received undertaking from all its directors and executive officers in the format as set out under Rule 720(1) of the Catalist Rules in the format set out in Appendix 7H.

**11. Disclosure of acquisition (including incorporations) and sale of shares in subsidiaries and/or associated companies since the end of the previous reporting period under Rule 706A of the Catalist Rules**

Save for the incorporation of a 51%-owned joint venture company by F.J.B. Investment Pte Ltd (a wholly-owned subsidiary of the Company) as announced by the Company on 17 September 2021, the Group does not have any acquisitions (including incorporations) and realisations of shares in subsidiaries and/or associated companies for the current financial period reported on.

## 12. Use of proceeds from Rights Issue and Exercise of Warrants

On 5 April 2018 and 6 April 2018, the Company allotted and issued 341,225,914 new ordinary shares ("Rights Shares") with 682,451,828 free detachable warrants ("Warrants") under the Rights cum Warrants Issue (details as set out in the Company's circular to its shareholders dated 15 February 2018 and offer information statement dated 12 March 2018 ("Offer Information Statement")). The total gross proceeds raised from the allotment and issuance of the Rights Shares under the Rights cum Warrants Issue, after accounting for the conversion into the Right Shares of certain loans owing by the Group to certain shareholders of the Company (the "Conversion"), amounted to approximately S\$8,118,000.

As set out in the Company's announcements dated 17 May 2021 and 30 December 2021, on the expiry of the Warrants on 5 April 2021, a total of 157,378,132 Warrants had been exercised at the exercise price of S\$0.04. Accordingly, the Company raised aggregate gross proceeds of approximately S\$6,295,000. Following a review of the Group's current operating environment, taking into consideration of the on-going COVID-19 pandemic and safe distancing measures which impacted the businesses of the Group, the Board had reallocated an aggregate of S\$1,648,000 of the net proceeds from the exercise of Warrants, which was originally allocated for the expansion of the Group's business activities when the Rights cum Warrants Issue took place three years ago (pre COVID-19) to general working capital purposes (the "Reallocation").

The use of proceeds from the Rights cum Warrants issue as at 31 December 2021 are as follows:

### Rights issue

	Amount S\$'000
<u>Total net proceeds available:</u>	
Gross proceeds received from allotment and issuance of the Rights Shares, after accounting for Conversion	8,118
Share issuance expenses	(435)
Net proceeds available	<u>7,683</u>
<u>Use of proceeds:</u>	
(i) General working capital	
Allocation as disclosed in the Offer Information Statement	3,842
Total amount utilised – repayment of trade invoices financed by banks and trade suppliers' invoices	(3,842)
Balance	<u>-</u>
(ii) Expansion of the Group's business activities	
Allocation as disclosed in the Offer Information Statement	3,841
Total amount utilised	(800)
Balance	<u>3,041</u>

## Warrants

	Amount S\$'000
<u>Total net proceeds available:</u>	
Gross proceeds from exercise of Warrants	6,295
Share issuance expenses	(25)
Net proceeds available	<u>6,270</u>
<u>Use of proceeds:</u>	
(i) General working capital	
Allocation as disclosed in the Offer Information Statement	3,135
Reallocation	1,648
Amount based on reallocation basis	<u>4,783</u>
Total amount utilised	<u>(4,783)<sup>1</sup></u>
Balance	<u>-</u>
(ii) Expansion of the Group's business activities	
Allocation as disclosed in the Offer Information Statement	3,135
Reallocation	(1,648)
Amount based on reallocation basis	<u>1,487</u>
Total amount utilised	<u>(1,456)</u>
Balance	<u>31</u>

### Note:

- (1) Net Proceeds used for general working capital comprising (a) S\$2,380,000 for repayment of trade invoices financed by banks and trade suppliers' invoices; and (b) S\$2,403,000 for repayment of non-trade creditors, which consisted of rental, freight costs and other operating expenses.

Save as disclosed above on the Reallocation, the use of net proceeds from the Rights cum Warrants Issue is in accordance with the intended uses as disclosed in the Offer Information Statement.

The Company will continue to provide periodic announcements on the utilisation of the balance of the net proceeds from the Rights cum Warrants Issue as and when such proceeds are materially disbursed.

### **BY ORDER OF THE BOARD**

**Karen Chong Mee Keng**  
Company Secretary  
10 February 2022

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*This announcement has been prepared by F J Benjamin Holdings Ltd (the "Company") and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.*