F J BENJAMIN PROPOSES RIGHTS CUM WARRANT ISSUE TO RAISE UP TO $39 MILLION AMID BUSINESS TURNAROUND

- *Q1 FY18 results show Group is poised for turnaround at end of three-year restructuring exercise*
- *Net proceeds to fund business growth, reduce gearing*
- *Three major shareholders - Benjamin family, Peter Lim & Raffles Investments - to support proposed fund raising*
- *Benjamin family and Peter Lim to take up excess rights*

Singapore, 23 October 2017 – With its business in Southeast Asia on the cusp of a recovery following three years of intense restructuring, F J Benjamin Holdings (FJB), Singapore's leading fashion and lifestyle group, today announced a rights cum warrants issue to raise up to $39 million.

FJB is proposing to raise nearly $12.0 million through the issue of 341,225,914 new shares at $0.035 per share on the basis of three rights shares for every five existing shares. It is also proposing to issue two free warrants for each rights share, or a total of 682,451,828 warrants. The warrants, with a three-year exercise period, will have an exercise price of $0.04 per warrant. If fully exercised, it will raise another $27 million.

The rights are priced at a discount of 22.2% to FJB's last traded price of $0.045 per share on 17 October 2017, being the last full trading day of the shares immediately preceding this announcement; and 15.15% to the theoretical ex-rights price of $0.04125 per share.

The company's three major shareholders – the controlling Benjamin family, businessman Peter Lim and Raffles Investments Limited – have agreed to subscribe in full to their rights entitlements. In addition, the Benjamin family and Mr Lim will take up all excess rights shares not taken up by minority shareholders pro-rata to their shareholdings.

Nett proceeds from the rights issue will go towards supporting the Group's expansion plans and general corporate purposes, including general working capital, funding new projects, capital improvements and making strategic investments and/or acquisitions.

The latest fund-raising exercise is the first since 2002 when the Group last tapped the equity market through a renounceable rights issue of warrants. It comes at the end of a no-holds-barred restructuring programme under which management eliminated loss-making and less-than-optimal brands and businesses, shuttered non-profitable stores across the region, tightened inventory management and streamlined operations for greater efficiencies.

As a demonstration of its commitment, senior management has taken a 70% pay cut to help further accelerate the Group's recovery, 40% effective immediately in addition to an earlier 30% pay reduction.

In line with the fast-evolving retail landscape in recent years, management has continually reviewed its brand assessment matrix and has made tough decisions to shut various businesses including its house-label Raoul. The Group's regional Gap and Banana Republic business will cease end-February 2018 when the franchise relationship between the parties expires.

The Group's first quarter results for the financial year ending 30 June 2018 (1Q18), announced today, reflected the gradual turnaround as it relieves itself of loss-makers. Group net attributable loss narrowed by 74% to $942,000 for the first quarter ended 30 September 2017 against a $3.6 million loss previously. Revenue totalled $41.4 million against $51.3 million in the previous corresponding quarter as loss-making brands were discontinued. After currency effects and excluding discontinued brands, Group revenue in Singapore and Malaysia rose $4.9 million (18%) and revenue from the Group's fashion and timepiece business in Southeast Asia increased 18% and 17% respectively on comparable store growth and contributions from new stores.

Gross margins improved to 44% (from 41%) and Group operating expenses fell 16% due to tight cost controls and closure of non-performing stores.

Commenting on its 1Q results, Group CEO Nash Benjamin said: “We are almost at the end of an intense and painful three-year restructuring programme. The financials are reflecting the progress made to rationalise operations. We are further encouraged that the business is beginning to trend positively.

“Going forward, the Group’s resources and management time will be focused on expanding organically as well as through the acquisition of new brands and businesses to accelerate profitability for the Group at a time where the consumption landscape is evolving.”

Director of Corporate Strategy, Ben J Benjamin said: “The rights cum warrants issue will strengthen the Group’s financial position particularly in terms of improved liquidity and leverage. Our major shareholders’ decision to subscribe to their rights entitlements in full, and to take up any excess, is a vote of confidence in the growth prospects of the business in Southeast Asia.

“Importantly, this new funding will allow the Group to pursue growth strategies in the coming quarters that will broaden its focus within the fashion and fast-growing related consumer lifestyle space.”

One of the biggest growth opportunities in the new financial year will be the Group’s Casio watch retail and distribution business in Indonesia. Sales have grown rapidly with the recent launch of the distribution business. The business has received an additional fresh injection of funds to further support its expansion.

Among the Group’s existing portfolio of brands, there are plans to open over a dozen more stores for brands such as Guess, La Senza, Marc Jacobs, Rebecca Minkoff, Superdry and United States Polo Association (USPA) in the next 12 months.

In addition to growing organically, management is also in discussions to represent several global brands in fashion and non-fashion consumer lifestyle segments in both the online and offline space. The Group is also assessing various strategic investments and/or acquisitions that will optimise shareholder value.

The rights cum warrant issue is subject to regulatory and shareholder approvals.

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About F J Benjamin Holdings Ltd (www.fjbenjamin.com) – With a rich heritage dating back to 1959, F J Benjamin Holdings Ltd is a consumer driven leader in brand building and management. Listed on the Singapore Exchange since 1995 (Ticker: F10), F J Benjamin has a strong footprint in Southeast Asia, with offices in Singapore, Indonesia and Malaysia, and manages over 20 iconic brands, operates over 250 stand-alone stores and over 1,400 points of sale in these markets. The Group's international brand portfolio includes fashion, lifestyle and timepiece brands.

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