



F J BENJAMIN HOLDINGS LTD

Company Registration Number: 197301125N

Condensed interim consolidated financial statements

For the six months ended 31 December 2022

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

-----GROUP-----				
		6 months ended 31 Dec 2022	6 months ended 31 Dec 2021	Change
	Note	\$'000	\$'000	%
Turnover		45,653	36,164	26
Cost of goods sold		(21,662)	(19,269)	12
Gross Profit		<u>23,991</u>	<u>16,895</u>	42
Other income, net	6	266	568	(53)
Staff costs		(8,011)	(7,002)	14
Rental of premises		(3,825)	115	nm
Advertising and promotion		(1,256)	(1,182)	6
Depreciation of furniture, fixtures and equipment		(719)	(979)	(27)
Depreciation of right-of-use assets		(3,915)	(5,640)	(31)
Other operating expenses	6	(4,613)	(3,764)	23
Operating profit/ (loss)		<u>1,918</u>	<u>(989)</u>	nm
Interest expenses from borrowings		(294)	(366)	(20)
Interest expenses from lease liabilities		(161)	(216)	(25)
Foreign exchange gain, net		442	50	> 100
Share of results of associate, net of tax		809	313	> 100
Profit/ (Loss) before tax		<u>2,714</u>	<u>(1,208)</u>	nm
Income tax expenses	7	(979)	(121)	> 100
Net profit/ (loss) for the period		<u><u>1,735</u></u>	<u><u>(1,329)</u></u>	nm
Other comprehensive income:				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation		(117)	(139)	(16)
Total comprehensive income for the period		<u><u>1,618</u></u>	<u><u>(1,468)</u></u>	nm
Net profit/ (loss) attributable to:				
Equity holders of the parent		1,749	(1,329)	nm
Non-controlling interests		(14)	-	nm
		<u>1,735</u>	<u>(1,329)</u>	nm
Total comprehensive income attributable to:				
Equity holders of the parent		1,632	(1,468)	nm
Non-controlling interests		(14)	-	nm
		<u>1,618</u>	<u>(1,468)</u>	nm
Earnings /(Loss) per share (cents)				
Basic and diluted	8	<u>0.15</u>	<u>(0.12)</u>	

nm - not meaningful

B Condensed interim statements of financial position

	Note	-----GROUP-----		-----COMPANY-----	
		31 Dec 2022 \$'000	30 June 2022 \$'000	31 Dec 2022 \$'000	30 June 2022 \$'000
NON-CURRENT ASSETS					
Furniture, fixtures and equipment	11	2,507	2,225	143	169
Right-of-use assets		12,191	8,411	5	48
Subsidiaries		-	-	38,471	38,923
Investment in associate		15,951	14,409	-	-
Deferred tax assets		393	407	-	-
		<u>31,042</u>	<u>25,452</u>	<u>38,619</u>	<u>39,140</u>
CURRENT ASSETS					
Inventories		21,991	20,339	-	-
External trade debtors		1,323	1,544	-	-
Trade debts due from associate		7,949	8,115	-	-
Other debtors		11,146	11,294	7,140	4,858
Prepayments and advances		673	552	62	49
Tax recoverable		-	13	-	-
Cash on hand and at bank		10,873	12,510	3,443	4,128
		<u>53,955</u>	<u>54,367</u>	<u>10,645</u>	<u>9,035</u>
CURRENT LIABILITIES					
Trade and other creditors		18,784	15,598	2,848	2,395
Borrowings	12	10,012	13,254	19	19
Lease liabilities		5,895	5,727	13	61
Provision for taxation		1,070	294	-	-
		<u>35,761</u>	<u>34,873</u>	<u>2,880</u>	<u>2,475</u>
NET CURRENT ASSETS		18,194	19,494	7,765	6,560
NON-CURRENT LIABILITIES					
Other creditors		-	-	8,590	8,450
Borrowings	12	2,484	3,246	83	93
Lease liabilities		6,624	3,190	-	-
		<u>9,108</u>	<u>6,436</u>	<u>8,673</u>	<u>8,543</u>
NET ASSETS		40,128	38,510	37,711	37,157
EQUITY					
Share capital	13	186,170	186,170	186,170	186,170
Foreign currency translation reserve		(1,388)	(1,271)	-	-
Other reserves		380	380	-	-
Accumulated losses		(145,001)	(146,750)	(148,459)	(149,013)
Equity attributable to equity holders of the parent		<u>40,161</u>	<u>38,529</u>	<u>37,711</u>	<u>37,157</u>
Non-controlling interests		(33)	(19)	-	-
TOTAL EQUITY		40,128	38,510	37,711	37,157

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 interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
GROUP							
At 1 July 2022	186,170	(1,271)	380	(146,750)	38,529	(19)	38,510
Profit for the period	-	-	-	1,749	1,749	(14)	1,735
<u>Other comprehensive income</u>							
Foreign currency translation	-	(117)	-	-	(117)	-	(117)
Total comprehensive income for the period	-	(117)	-	1,749	1,632	(14)	1,618
At 31 December 2022	186,170	(1,388)	380	(145,001)	40,161	(33)	40,128
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)
Capital contribution from a non-controlling interest	-	-	-	-	-	24	24
At 31 December 2021	183,229	(772)	395	(151,054)	31,798	24	31,822
COMPANY							
At 1 July 2022	186,170	-	-	(149,013)	37,157	-	37,157
Profit for the period, representing total comprehensive income for the period	-	-	-	554	554	-	554
At 31 December 2022	186,170	-	-	(148,459)	37,711	-	37,711
At 1 July 2021	183,229	-	-	(149,561)	33,668	-	33,668
Loss for the period, representing total comprehensive income for the period	-	-	-	(427)	(427)	-	(427)
At 31 December 2021	183,229	-	-	(149,988)	33,241	-	33,241

D Condensed interim consolidated statement of cash flows

	-----GROUP-----	
	6 months ended 31 Dec 2022	6 months ended 31 Dec 2021
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/ (Loss) before tax	2,714	(1,208)
Adjustments for:		
Depreciation of furniture, fixtures and equipment	719	979
Depreciation of right-of-use assets	3,915	5,640
Share of results of associate, net of tax	(809)	(313)
Currency realignment	(562)	123
Loss on disposal of furniture, fixtures and equipment	-	10
Interest income	(24)	(1)
Interest expenses from borrowings	294	366
Interest expenses from lease liabilities	161	216
Allowance for inventory obsolescence and inventories written off, net	597	49
Reversal of allowance for expected credit losses	-	(3)
OPERATING CASH FLOWS BEFORE WORKING CAPITAL CHANGES	7,005	5,858
Decrease in debtors	535	447
Increase in prepayments and advances	(121)	(224)
(Increase)/ Decrease in inventories	(2,249)	778
Increase in creditors	3,186	3,837
CASH FLOW GENERATED FROM OPERATIONS	8,356	10,696
Interest received	24	1
Income tax paid	(173)	(8)
NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES	8,207	10,689
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of furniture, fixtures and equipment	(1,045)	(13)
Proceeds from disposal of furniture, fixtures and equipment	-	1
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(1,045)	(12)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Capital contribution from a non-controlling interest	-	24
Repayment of bank borrowings	(3,236)	(2,360)
Repayment of other borrowings	(13)	(54)
Interest paid	(294)	(366)
Payment of lease liabilities	(4,244)	(5,974)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	(7,787)	(8,730)
Net (decrease)/ increase in cash and cash equivalents	(625)	1,947
Cash and cash equivalents at beginning of financial period	10,950	9,133
Net effect of exchange rate changes on opening cash and cash equivalents	(257)	1
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	10,068	11,081
<u>Cash and cash equivalents comprise the following:</u>		
Cash on hand and at bank	10,873	12,734
Bank overdrafts	(805)	(1,653)
	10,068	11,081

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 2022 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, home furnishings, beauty and health and wellness products, and provision of luxury concierge services.

2. Basis of preparation

The condensed interim consolidated financial statements for the six months ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim consolidated 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 since the last annual consolidated financial statements of the Group for the year ended 30 June 2022.

The accounting policies and methods of computations adopted for the condensed interim consolidated financial statements are consistent with those adopted by the Group in its most recently audited annual consolidated financial statements for the year ended 30 June 2022, 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.

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 of the Group as at and for the year ended 30 June 2022.

Estimates and underlying assumptions are reviewed on an 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, home furnishings, beauty and health and wellness products.
- ii. The Distribution segment is involved in the distribution of consumer fashion wear, accessories, home furnishings, timepieces, beauty and health and wellness products.
- iii. The Export segment is involved in the export of consumer fashion wear, accessories, 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

	Ongoing retail \$'000	Distribution \$'000	Export \$'000	Corporate and others \$'000	Group \$'000
1 Jul 2022 – 31 Dec 2022					
Sales to external customers	40,424	2,464	2,765	-	45,653
Segment results	3,416	297	207	(1,584)	2,336
Interest income					24
Interest expenses from borrowings					(294)
Interest expenses from lease liabilities					(161)
Share of results of associate, net of tax					809
Profit before tax					2,714
Income tax expenses					(979)
Net profit for the period					1,735
Capital expenditure	1,037	-	-	8	1,045
Depreciation of furniture, fixtures and equipment	644	36	-	39	719
Depreciation of right-of-use assets	3,866	-	-	49	3,915

4.1 Reportable segments (continued)

	Ongoing retail \$'000	Distribution \$'000	Export \$'000	Corporate and others \$'000	Group \$'000
1 Jul 2021 – 31 Dec 2021					
Sales to external customers	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)
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

	Ongoing Retail \$'000	Distribution \$'000	Export \$'000	Corporate and Others \$'000	Group \$'000
1 Jul 2022 – 31 Dec 2022					
Segment assets	49,291	2,801	2,513	8,548	63,153
Investment in associate	-	-	-	15,951	15,951
	49,291	2,801	2,513	24,499	79,104
Unallocated assets					5,893
Total assets					84,997
Segment liabilities	27,105	1,760	1,329	2,016	32,210
Unallocated liabilities					12,659
Total liabilities					44,869

4.1 Reportable segments (continued)

	Ongoing Retail	Distribution	Export	Corporate and Others	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
1 Jul 2021 – 31 Dec 2021					
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

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 2022 \$'000	31 Dec 2021 \$'000
Unallocated assets		
Other debtors	5,500	5,500
Deferred tax assets	393	369
Tax recoverable	-	392
	5,893	6,261
Unallocated liabilities		
Bank borrowings (excluding bank overdrafts)	11,589	17,200
Provision for taxation	1,070	-
	12,659	17,200

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
<u>1 Jul 2022 – 31 Dec 2022</u>			
Turnover	45,653	–	45,653
Other geographical information:			
Non-current assets	31,040	2	31,042
Capital expenditure	1,044	1	1,045
<u>1 Jul 2021 – 31 Dec 2021</u>			
Turnover	36,103	61	36,164
Other geographical information:			
Non-current assets	26,232	2	26,234
Capital expenditure	11	2	13

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 2022 and 30 June 2022.

	Group		Company	
	31 December 2022 \$'000	30 June 2022 \$'000	31 December 2022 \$'000	30 June 2022 \$'000
Financial assets measured at amortised cost				
Receivables from subsidiaries	–	–	30,442	30,894
Trade debtors	9,272	9,659	–	–
Other debtors	11,146	11,293	7,140	4,858
Cash on hand and at bank	10,873	12,510	3,443	4,128
	31,291	33,462	41,025	39,880
Financial asset carried at fair value through profit or loss				
Derivative financial assets	–	1		
Financial liabilities measured at amortised cost				
Trade and other creditors	18,048	14,894	11,438	10,845
Borrowings	12,496	16,500	102	112
	30,544	31,394	11,540	10,957

6. Profit/ (Loss) before tax

6.1 Significant items

	Group	
	6 months ended	6 months ended
	31 December	31 December
	2022	2021
	\$'000	\$'000
Income		
Market support and administrative service income	133	133
Government grants	26	417
Loss on disposal of furniture, fixtures and equipment	-	(10)
	<hr/>	<hr/>
Expenses		
Allowance/ (reversal of allowance) for inventory obsolescence, net	503	(117)
Inventories written off	94	166
Reversal of allowance for expected credit losses	-	(3)
Outlet related expenses	980	687
Utilities	217	155
Royalties	160	113
Freight, warehousing, handling and shipping costs	1,082	918
Professional and legal fees	332	289
Directors' fees of directors of the Company	100	102
Telecommunication	115	118
Repair and maintenance	271	221
	<hr/>	<hr/>

6.2 Related party transactions

During the six months ended 31 December 2022 and 2021, the Group has entered into transactions with related parties on terms agreed between the parties, as shown below:

	6 months	6 months
	ended	ended
	31 December	31 December
	2022	2021
	\$'000	\$'000
Sale of goods to associate	2,556	3,404
Market support and administrative service income from associate	133	133
	<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:

	Group	
	6 months ended 31 December 2022	6 months ended 31 December 2021
	\$'000	\$'000
Current income tax expense	979	121
Deferred income tax relating to origination and reversal of temporary differences	-	-
	979	121

8. Earnings/ (Loss) Per Share

The basic earnings/(loss) per share amounts are calculated by dividing the profit/(loss) for the respective financial periods that is attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the respective financial periods.

Diluted earnings/(loss) per share amounts are calculated by dividing the profit/(loss) for the respective financial periods that is attributable to equity holders of the parent 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 profit/(loss) and share data used in the computation for basic and diluted earnings/(loss) per share:

	Group	
	6 months ended 31 December 2022	6 months ended 31 December 2021
	\$'000	\$'000
Net profit/(loss) for the financial period attributable to equity holders of the parent used in the computation of basic and diluted earnings/(loss) per share	1,749	(1,329)
	'000	'000
Weighted average number of ordinary shares for basic and diluted earnings/(loss) per share computation	1,187,314	1,067,314

For the six months ended 31 December 2022 and 2021, the Company did not have any potential dilutive instruments.

9. Net Asset Value

	Group		Company	
	31 December 2022	30 June 2022	31 December 2022	30 June 2022
	Cents	Cents	Cents	Cents
Net asset value per ordinary share	3.38	3.25	3.18	3.13

The calculation of net asset value per ordinary share was based on 1,187,313,903 shares as at 31 December 2022 (30 June 2022: 1,187,313,903).

10. Financial assets at fair value through other comprehensive income

10.1 Fair value measurement

The Group categorises 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
Financial assets carried at fair value through profit or loss				
Derivative financial assets	–	–	–	–
Financial assets as at 31 December 2022	–	–	–	–
Financial liabilities carried at fair value through profit or loss				
Derivative financial assets	–	1	–	1
Financial assets as at 30 June 2022	–	1	–	1

11. Furniture, fixtures and equipment

	Group	
	6 months ended 31 December 2022	6 months ended 31 December 2021
	\$'000	\$'000
Addition	1,045	13
Disposal	370	1,058

12. Borrowings

	Group	
	31 December 2022	30 June 2022
	\$'000	\$'000
Amount repayable in one year or less, or on demand		
- Unsecured	10,012	13,254
- Secured	-	-
Amount repayable after one year		
- Unsecured	2,484	3,246
- Secured	-	-
Total borrowings	12,496	16,500
Cash on hand and at banks	(10,873)	(12,510)
Net borrowings	1,623	3,990

13. Share capital

	Group and Company			
	31 December 2022		30 June 2022	
	No. of shares '000	Amount \$'000	No. of shares '000	Amount \$'000
<u>Ordinary shares issued and fully paid</u>				
Beginning of interim period	1,187,314	186,170	1,067,314	183,229
Issuance of shares from placement	-	-	120,000	3,000
Share issuance expenses	-	-	-	(59)
End of interim period	1,187,314	186,170	1,187,314	186,170

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 4 February 2022, the Company allotted and issued 120,000,000 new ordinary shares at \$0.025 per share to Western Properties Pte Ltd pursuant to a placement exercise.

There were no outstanding convertibles for conversion into ordinary shares as at 31 December 2022, 30 June 2022 and 31 December 2021.

The Company did not hold any treasury shares as at 31 December 2022, 30 June 2022 and 31 December 2021.

The Company's subsidiaries did not hold any shares in the Company as at 31 December 2022, 30 June 2022 and 31 December 2021.

14. Subsequent event

There are no known subsequent events which led to adjustments to this set of condensed interim consolidated financial statements.

F. Other information required pursuant to Appendix 7C of the Catalyst 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 2022 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim 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 consolidated financial statements for the financial year ended 30 June 2022 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 2022 (1H23)**

Group revenue for the six months ended 31 December 2022 (1H23) rose 26% to \$45.7 million from \$36.2 million for the same period last year (1H22). Profit attributable to shareholders amounted to \$1.7 million in 1H23, a reversal from a loss of \$1.3 million in 1H22.

Singapore sales grew by 9% from a year ago while sales in Malaysia increased by 42% as business rebounded with the lifting of almost all COVID-19 restrictions and the reopening of borders in most countries. Excluding lower export shipments to the Indonesian associate, Singapore sales actually grew 18%.

Turnover for the Group's Indonesian associate increased by 28% in 1H23. Export sales from Singapore to its Indonesian associate, however, dropped by 25% to \$2.6 million during the period under review, from \$3.4 million in 1H22. The Group's share of profit from its Indonesian associate more than doubled to \$809,000 in 1H23 from \$313,000 in the same period last year.

With most COVID-19 restrictions removed and more consumers returning to shop at brick-and-mortar stores, the Group's online sales saw a decline in contribution, from 6% of total sales in 1H22 to 3% in 1H23. As for new brands, Cole Haan footwear was added to the Group's online portfolio, and quickly gained appeal.

Gross profit margin rose to 53% during the period under review from 47% in 1H22. After various lockdowns, consumers began returning to stores due to pent up demand. As a result, the Group was able to clear more existing stock and had less inventory to put on sale, a move that was positive for profit margins.

Group operating expenses rose 21% to \$22.3 million. This was primarily due to a reduction in rental rebates from landlords, which pushed rents up by \$3.9 million, increased staff costs of \$1 million as salary pay-cuts were restored and higher commissions were paid in line with higher sales, and higher travelling costs as staff resumed overseas buying trips. The increase in operating expenses was partly offset by lower depreciation of right-of-use assets resulting from expired leases.

Other income fell 53% to \$266,000 mainly due to the cessation of wage credits under Singapore's Jobs Support Scheme.

(ii) Balance sheet

Right-of-use assets increased by \$3.9 million as renewals and new leases of \$7.8 million offset depreciation charge of \$3.9 million. Correspondingly, total lease liabilities (current and non-current) rose by \$3.6 million as renewals and new leases of \$7.8 million exceeded payment of lease liabilities amounting to \$4.2 million.

Inventories rose 8% to \$22.0 million as the Group increased purchases to meet growing consumer demand.

Trade and other creditors increased by \$3.2 million mainly due to an increase in orders placed to achieve higher sales.

Net borrowings totalled \$1.6 million as at 31 December 2022, down from \$4.0 million as at 30 June 2022, due to lower utilization of trade bills financing. Gearing stood at 4% as at 31 December 2022 against 10% as at 30 June 2022.

(iii) Cash Flows

For the period under review, the Group generated net cash flows of \$8.2 million from operating activities, invested \$1.0 million in capital expenditure, repaid bank and other borrowings and related interest expense of \$3.6 million, and repaid lease liabilities of \$4.2 million. This resulted in a net cash outflow of \$0.6 million for 1H23.

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

Management remains optimistic that with the abating of the COVID-19 pandemic and the reopening of China's borders, sales volume will grow and business will continue to improve. The return of Chinese tourists to Southeast Asia will have a positive impact on the retail sector, aiding sales growth, especially in the luxury and lifestyle segments.

However, concerns over a global recession are also gaining ground and the Group believes that any slowdown will affect Southeast Asian economies.

The Group's regional retail network would support its resilience at a time when consumers are returning to physical stores after three years of pandemic restrictions. While sales through the Group's online channels have slowed during the period under review, e-commerce remains a long-term strategy. Management will continue to explore new business opportunities for diversification and new brands and businesses that fit its strategy.

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 no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

In view of the minimal profit made by the Company in this financial period, no dividend has been declared or recommended.

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 2022 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

On 5 July 2022, the Company's wholly-owned subsidiary, F.J.B. Investment Pte Ltd, incorporated a 20%-owned associate company in Singapore, RegalRare GEM Museum Pte. Ltd. ("RegalRare"), with an issued and paid-up share capital of S\$300,000, comprising 300,000 shares. The balance 80% shareholding interest in RegalRare is held by three other unrelated third parties. The principal activities of RegalRare are operating, owning and management of museum bearing the name RegalRare GEM Museum. The incorporation of RegalRare was funded by internal resources of the Group.

Save as disclosed above, the Group does not have any acquisitions (including incorporations) and realisations of shares in subsidiaries and/ or associated companies since the end of the previous reporting period, up to 31 December 2022.

12. Use of proceeds from Rights Issue, Exercise of Warrants and Share Placement

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”).

On 4 February 2022, the Company allotted and issued 120,000,000 new ordinary shares at an issue price of S\$0.025 per share pursuant to a placement exercise (“Share Placement”). The total gross proceeds raised from the Share Placement amounted to S\$3,000,000. Please refer to the Company’s circular to its Shareholders dated 13 January 2022 (“Circular”) for further details on the Share Placement.

The use of proceeds from the Rights cum Warrants issue and the Share Placement as at 31 December 2022 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	(841)
Balance	<u>3,000</u>

Warrants

	Amount S\$'000
<u>Total net proceeds available:</u>	
Gross proceeds from exercise of Warrants	6,295
Share issuance expenses	<u>(21)</u>
Net proceeds available	<u>6,274</u>
<u>Use of proceeds:</u>	
(i) General working capital	
Allocation as disclosed in the Offer Information Statement	3,137
Reallocation	<u>1,648</u>
Amount based on Reallocation basis	4,785
Total amount utilised	<u>(4,785)¹</u>
Balance	<u>-</u>
(ii) Expansion of the Group's business activities	
Allocation as disclosed in the Offer Information Statement	3,137
Reallocation	<u>(1,648)</u>
Amount based on Reallocation basis	1,489
Total amount utilised	<u>(1,481)</u>
Balance	<u>8</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\$2,405,000 for repayment of non-trade creditors, which consisted of rental, freight costs and other operating expenses.

Share Placement

	Amount S\$'000
<u>Total net proceeds available:</u>	
Gross proceeds from Share Placement	3,000
Share issuance expenses	<u>(59)</u>
Net proceeds available	<u>2,941</u>
<u>Use of proceeds:</u>	
General working capital	
Allocation as disclosed in the Circular	2,941
Total amount utilised	<u>(2,602)²</u>
Balance	<u>339</u>

Note:

- (2) Net proceeds used for general working capital comprising (a) S\$1,767,000 for repayment of rental and other operating expenses; (b) S\$703,000 for repayment of short term loan; and (c) S\$132,000 for purchase of inventory.

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 and percentage allocations as disclosed in the Offer Information Statement. The use of net proceeds from the Share Placement is in accordance with the intended uses and percentage allocations as disclosed in the Circular.

The Company will continue to provide periodic announcements on the utilisation of the balance of the net proceeds from the Rights cum Warrants Issue and the Share Placement as and when such net proceeds are materially disbursed or utilised, and whether such use is in accordance with the stated use and in accordance with the percentage allocated.

BY ORDER OF THE BOARD

Karen Chong Mee Keng
Company Secretary
9 February 2023

*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 Catalist.*

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 Goh Mei Xian, Director, ZICO Capital Pte. Ltd. at 77 Robinson Road #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.