

# FJ BENJAMIN

F J BENJAMIN HOLDINGS LTD

(Co. Reg. No. 197301125N)

## PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR RESULTS

### 1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Board of Directors of F J Benjamin Holdings Ltd is pleased to announce the unaudited results of the Group for the first quarter ended 30 September 2006 (1Q 07).

	-----GROUP-----		
	1Q 07	1Q 06	Change
	\$'000	\$'000	%
TURNOVER	57,144	45,914	24
Other income including interest income, net	2,870	314	n/m
	<u>60,014</u>	<u>46,228</u>	30
COSTS AND EXPENSES			
Cost of goods sold	35,993	27,946	29
Staff costs	7,011	5,415	29
Rental of premises	4,087	3,410	20
Advertising and promotion	3,180	2,792	14
Depreciation of property, furniture, fixtures and equipment	1,071	888	21
Other operating expenses, net	4,156	3,508	18
TOTAL COSTS AND EXPENSES	<u>55,498</u>	<u>43,959</u>	26
OPERATING PROFIT	4,516	2,269	99
Interest expense	(528)	(448)	18
Share of results of associates	156	156	-
PROFIT BEFORE TAXATION	<u>4,144</u>	<u>1,977</u>	110
Taxation	(1,130)	(703)	61
NET PROFIT FOR THE FINANCIAL PERIOD	<u>3,014</u>	<u>1,274</u>	137

n/m: denotes percentage not meaningful

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

Exchange translation (gain)/loss	(246)	821
(Gain)/loss on disposal of furniture, fixtures and equipment	(197)	14
Allowance for bad and doubtful debts	-	6
Allowance for inventories obsolescence and inventories written off	475	326
Reversal of allowance for inventories obsolescence	(64)	-
Allowance / (write back) for diminution in value of quoted investment	98	(29)
Gain on disposal of unquoted investment	-	(258)
Over provision of tax in respect of prior financial years	(69)	-

**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.**

	Note	-----GROUP-----		-----COMPANY-----	
		30-Sep-06 \$'000	30-Jun-06 \$'000	30-Sep-06 \$'000	30-Jun-06 \$'000
<b>NON-CURRENT ASSETS</b>					
Property, furniture, fixtures and equipment	1	39,354	69,370	5,382	35,857
Subsidiaries		-	-	81,807	75,537
Investment in associates		10,254	9,551	-	-
Other investments		234	332	234	332
Other receivables		5,794	4,672	-	-
Deferred tax assets		599	601	-	-
		<u>56,235</u>	<u>84,526</u>	<u>87,423</u>	<u>111,726</u>
<b>CURRENT ASSETS</b>					
Non-current asset held for sale	1	30,771	-	30,771	-
Inventories		47,736	43,708	-	-
External trade debtors		19,713	17,474	-	-
Trade debts due from related companies		17,594	11,600	-	-
Tax recoverable		1,486	1,579	-	241
Other debtors		13,034	7,961	240	190
Cash on hand and at banks		18,757	24,929	13,653	19,893
		<u>149,091</u>	<u>107,251</u>	<u>44,664</u>	<u>20,324</u>
<b>CURRENT LIABILITIES</b>					
Trade and other creditors		54,753	52,023	1,477	2,676
Finance lease creditors		83	115	50	79
Bank borrowings	1	44,694	19,910	11,200	-
Provision for taxation		3,599	2,679	25	69
		<u>103,129</u>	<u>74,727</u>	<u>12,752</u>	<u>2,824</u>
<b>NET CURRENT ASSETS</b>		<b>45,962</b>	<b>32,524</b>	<b>31,912</b>	<b>17,500</b>
<b>NON-CURRENT LIABILITIES</b>					
Finance lease creditors		423	238	338	135
Bank borrowings	1	-	17,949	-	11,200
Other liabilities		2,583	2,583	-	-
Deferred tax liabilities		440	440	400	400
		<u>3,446</u>	<u>21,210</u>	<u>738</u>	<u>11,735</u>
<b>NET ASSETS</b>		<b>98,751</b>	<b>95,840</b>	<b>118,597</b>	<b>117,491</b>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>					
Share capital		99,374	99,360	99,374	99,360
Warrant reserve		25,172	25,175	25,172	25,175
Exchange translation reserve		(9,223)	(9,109)	-	-
Accumulated losses		(16,696)	(19,710)	(5,949)	(7,044)
		<u>98,627</u>	<u>95,716</u>	<u>118,597</u>	<u>117,491</u>
Preference shares issued by a subsidiary		124	124	-	-
		<u>98,751</u>	<u>95,840</u>	<u>118,597</u>	<u>117,491</u>

**Note 1**

On 29 Sep 06, the Company entered into a negotiation to sell one of its properties for \$37.0 million. A sale and purchase agreement was entered into on 9 Oct 06. This asset and its corresponding bank loan of \$11.2 million have been reclassified to current asset and current liabilities accordingly.

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

**Amount repayable in one year or less, or on demand**

As at 30-Sep-06		As at 30-Jun-06	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
44,777	-	20,025	-

**Amount repayable after one year**

As at 30-Sep-06		As at 30-Jun-06	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
423	-	18,187	-

**Details of any collateral**

The bank borrowings are secured by a fixed charge over the freehold land and buildings and leasehold building of the Group.

Net borrowings

Net borrowings after deducting cash and bank balances amounted to \$26,443,000 (30 June 2006: \$13,283,000).

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	-----GROUP-----	
	1Q 07	1Q 06
	\$'000	\$'000
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before taxation	4,144	1,977
Adjustments for:		
Depreciation of property, furniture, fixtures and equipment	1,071	888
Share of results of associates	(156)	(156)
Currency realignment	(80)	573
(Gain)/loss on disposal of furniture, fixtures and equipment	(197)	14
Gain on disposal of other investment	-	(258)
Allowance / (write back) for diminution in value of investment	98	(29)
Fair value of loan	(39)	(40)
Interest income	(162)	(46)
Interest expense	528	448
<b>OPERATING PROFIT BEFORE REINVESTMENT IN WORKING CAPITAL</b>	<b>5,207</b>	<b>3,371</b>
Increase in debtors	(13,306)	(7,662)
Increase in inventories	(4,028)	(2,343)
Increase in creditors	2,730	6,742
<b>CASH (USED IN) / FROM OPERATIONS</b>	<b>(9,397)</b>	<b>108</b>
Taxation paid	(114)	(224)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(9,511)</b>	<b>(116)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of furniture, fixtures and equipment	(1,984)	(837)
Proceeds from sale of furniture, fixtures and equipment	226	-
Loan to associates	(1,527)	(100)
Proceeds from disposal of other investment	-	258
Interest received	162	46
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(3,123)</b>	<b>(633)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from issuance of ordinary shares	11	-
Proceeds from issuance of preference shares by a subsidiary	-	124
Proceeds from bank borrowings	5,186	440
Proceeds from / (repayments of) finance lease	153	(33)
Interest paid	(528)	(448)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>4,822</b>	<b>83</b>
Net decrease in cash and cash equivalents	(7,812)	(666)
Cash and cash equivalents at beginning of the period	22,224	12,952
Net effect of exchange rate changes on opening cash and cash equivalents	(9)	(27)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>14,403</b>	<b>12,259</b>
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	18,757	14,244
Bank overdrafts	(4,354)	(1,985)
	<b>14,403</b>	<b>12,259</b>

**1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Share Capital \$'000	Share Premium \$'000	Warrant Reserve \$'000	Exchange Translation Reserve \$'000	(Accumulated Losses) \$'000	Preference Shares Issued By A Subsidiary \$'000	Total Equity \$'000
<b><u>GROUP</u></b>							
At 30 Jun 06	99,360	-	25,175	(9,109)	(19,710)	124	95,840
Net profit for the financial period	-	-	-	-	3,014	-	3,014
Exchange differences arising from consolidation recognised in equity	-	-	-	(114)	-	-	(114)
Total recognised income and expenses for the financial period	-	-	-	(114)	3,014	-	2,900
Exercise of warrants	14	-	(3)	-	-	-	11
At 30 Sep 06	99,374	-	25,172	(9,223)	(16,696)	124	98,751
At 30 Jun 05	57,000	26,685	28,025	(7,204)	(27,373)	-	77,133
Net profit for the financial period	-	-	-	-	1,274	-	1,274
Exchange differences arising from consolidation recognised in equity	-	-	-	186	-	-	186
Total recognised income and expenses for the financial period	-	-	-	186	1,274	-	1,460
Preference shares issued by a subsidiary	-	-	-	-	-	124	124
At 30 Sep 05	57,000	26,685	28,025	(7,018)	(26,099)	124	78,717
<b><u>COMPANY</u></b>							
At 30 Jun 06	99,360	-	25,175	-	(7,044)	-	117,491
Net profit for the financial period	-	-	-	-	1,095	-	1,095
Exercise of warrants	14	-	(3)	-	-	-	11
At 30 Sep 06	99,374	-	25,172	-	(5,949)	-	118,597
At 30 Jun 05	57,000	26,685	28,025	-	(10,816)	-	100,894
Net profit for the financial period	-	-	-	-	161	-	161
At 30 Sep 05	57,000	26,685	28,025	-	(10,655)	-	101,055

**1(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

During the period, the Company issued 26,000 ordinary shares at \$0.45 each upon the exercise of warrants.

As at 30 September 2006, there were 256,474,000 outstanding warrants. The number of shares that may be issued on exercising of all the outstanding warrants were as follows:

As at 30 September 2006 : 256,474,000

As at 30 September 2005 : 285,000,000

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

The figures have not been audited or reviewed by the auditors.

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

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation as in the most recent audited annual financial statements.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reason for, and the effect of, the change.**

Not applicable.

**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	
	1Q 07	1Q 06
	Cents	Cents
(a) Based on the weighted average number of ordinary shares in issue; and	0.96	0.45
(b) On a fully diluted basis	0.53	0.45

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 313,501,804 (1Q 06: 285,000,000) and 569,975,804 (1Q05: anti-dilutive) respectively.

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.**

	GROUP	COMPANY
	Cents	Cents
Net asset value per ordinary share based on issued share capital as at:		
(a) current financial period reported on	31.46	37.83
(b) immediately preceding financial period	30.53	37.48

- 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 First Quarter – 3 Months Ended 30 September 2006 (1Q07)**

Group operating revenue for the first quarter grew 24% against the same period in 2006. Net profit after tax rose from S\$1.3 million to S\$3.0 million.

The Southeast Asian segment continued to grow and posted a 33% increase in turnover over 1Q06. The growth of 27% in fashion business came mainly from higher sales of GUESS, RAOUL and LA SENZA. The timepiece business achieved a 50% increase in revenue with contributions coming mainly from higher export sales of life-style brands.

Timepiece turnover in local markets of Hong Kong and Taiwan declined by 15% partly due to the uncertain political climate in Taiwan and partly due to the delay in delivery of high-end timepieces which were pre-ordered by customers. The China market continued to grow with GIRARD-PERREGAUX timepieces achieving a 79% growth over 1Q06.

In Thailand, 3 stores (Raoul Men, Raoul Ladies and La Senza) were opened in August 06 in a mall in Bangkok. Sales have been trending below expectations due to ongoing major construction work at the mall and the uncertain political situation in the country. Traffic in the mall is expected to improve with the grand opening of the mall in December.

Indonesia continued to be a growth market with domestic sales increasing by 23% over 1Q06. Operations remained profitable.

Gross margin declined from 39% in 1Q06 to 37% for this quarter as a result of a larger mix of export sales which provides a lower margin than retail sales.

The Group's Balance Sheet remains strong with cash of S\$19 million against total borrowings of S\$45 million. It registered a gearing of 0.27 times and a net asset value per ordinary share of 31 cents.

**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 first 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.**

The industry remains highly competitive, and vulnerable to geo-political and other unforeseeable factors affecting the region. However, as at the date of this announcement, the Group is well positioned to take full advantage of the present encouraging outlook for the fashion and life-style market in the region.

The factors which are likely to affect the Group during the next reporting period and the ensuing twelve months remain positive. A total of 41 new stores have opened, or are planned, in all territories in which the Group operates, including 13 for newly acquired brands such as GAP and Banana Republic. Timepiece distribution is likely to grow, with an emphasis on China, and the same can be said of the Raoul brand which continues to grow regionally.

With the impending sale of the Group's headquarters in Orange Grove Road and the encouraging rate seen to-date in the conversion of warrants, the Group plans to substantially retire bank debt during the next twelve-month period.



**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. Second Quarter results for financial year ending 30 June 2007.**

The Company expects to announce its results for the second quarter results ending 31 December 2006 in the week of 12 February 2007.

**BY ORDER OF THE BOARD**

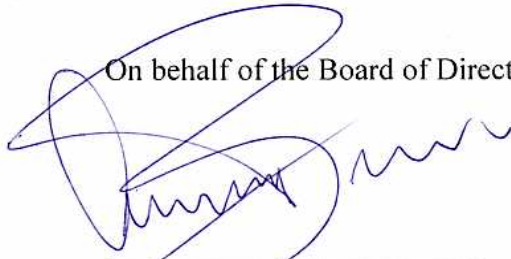
Karen Chong Mee Keng  
Dilhan Pillay Sandrasegara  
Joint Company Secretaries  
7 November 2006

# FJ BENJAMIN

## CONFIRMATION PURSUANT TO RULE 705(4) OF THE LISTING MANUAL

We, Eli Manasseh Benjamin and Karen Chong Mee Keng, being two directors of F J Benjamin Holdings Ltd (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the first quarter financial results ended 30 September 2006 to be false or misleading.

On behalf of the Board of Directors



Eli Manasseh Benjamin  
Director



Karen Chong Mee Keng  
Director

7 November 2006