

ISETAN (SINGAPORE) LIMITED
(Company Registration No. 197001177H)
(Incorporated in the Republic of Singapore)

FURTHER UPDATE ON IMPACT OF COVID-19 PANDEMIC

The Board of Directors (the “**Board**”) of Isetan (Singapore) Limited (the “**Company**”) refers to the Company’s previous update announcement on the impact of the Covid-19 pandemic dated 16 May 2020 and the unaudited First-Half Financial Statement and Dividend Announcement for the period ended 30 June 2020 announcement dated 13 August 2020. The Board would like to provide a further update on the impact of the COVID-19 pandemic on the Company:

Impact on Company’s operations

In the period after the “Circuit Breaker”, the Company’s business has not returned to the pre-Covid-19 levels due to factors like lower customer traffic, social distancing measures, poorer consumer sentiments, as well as the disruptive impact of the ongoing renovations at Isetan Scotts. Sale of goods revenue and consignment income have continued to be negatively impacted. Likewise, the Company’s rental income from the property and retail segments have decreased as compared to the previous year.

Against this backdrop of declining sale of goods revenue, consignment income and rental income, the Company has taken mitigating actions for its retail segment such as the scaling up of its E-commerce business through its own website and Lazmall, resuming key sales events in the stores and costs control. The Company is also targeting to complete the renovations at its Isetan Scotts store by end November 2020 to leverage on the year-end festive season sales.

For the property segment, the Company is working closely with its existing tenants and sourcing for potential ones to fill up vacant units to secure as much future rental stream as possible. However, headwinds are expected for the segment due to weaker demand for space and the negative impact of the pandemic on retail businesses in general.

While the Company is taking steps to improve its performance, the health and safety of its customers and staff remain the top priority. Our “Care Promise” initiative will help to instil a sense of confidence amongst our customers, staff, and partners that we are keeping our stores and workplaces safe.

Impact on Company’s Financials

The Company maintains its view that the retail environment will remain very challenging and a material recovery is not expected in 2020. The ongoing pandemic will have a negative impact on the Company’s financial performance. The receipt of Government grants, rental rebates from Landlords, and income from the recognition of net investment in subleases when available, have however helped to mitigate the negative impact that the pandemic has had on the Company’s bottom line . However, these items may not recur moving forward and the Company’s focus is on improving its operational performance for long-term business sustainability.

In spite of the current challenging environment, the Company, with its strong cash and cash equivalents and other investments at amortized cost holdings, does not foresee difficulties meeting its near-term obligations.

Shareholders and potential investors are reminded to exercise caution when dealing or trading in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers, if they are in doubt about the actions that they should take.

By Order of the Board

Lun Chee Leong
Company Secretary

20 November 2020