

A. Condensed interim statements of profit or loss and other comprehensive income for the 6 months ended June 2024

	Note	6 months ended 30.06.2024 S'000	6 months ended 30.06.2023 S'000	+ / (-) %
Revenue	6	37,391	41,061	-8.94
Other income	7	3,092	2,818	9.72
Other losses - net				
- Impairment loss on financial assets	8	(12)	(20)	-40.00
- Others	8	(91)	-	N.M.
Expenses				
- Changes in inventories of finished goods		279	(149)	N.M.
- Purchases of inventories and related costs		(13,195)	(15,350)	-14.04
- Employee compensation	9	(7,404)	(7,779)	-4.82
- Depreciation expense		(3,447)	(5,707)	-39.60
- Rental and service charge expense		(3,865)	(3,563)	8.48
- Interest expense		(478)	(830)	-42.41
- Impairment loss on right-of-use assets	11	(2,541)	(1,837)	38.32
- Impairment loss on property, plant and equipment	11	(1,268)	(737)	72.05
- Other expenses	10	(8,587)	(8,588)	-0.01
Total expenses		(40,506)	(44,540)	-9.06
Loss before income tax		(126)	(681)	-81.50
Income tax expense	24	-	-	N.M.
Net loss after tax for the financial period		(126)	(681)	-81.50
Attributable to :				
Equity holders of the Company		(126)	(681)	-81.50
Loss per share for net profit attributable to the equity holders of the Company (cents per share)				
- Basic		-0.3 cents	-1.65 cents	
- Diluted		-0.3 cents	-1.65 cents	
		6 months ended 30.06.2024 S'000	6 months ended 30.06.2023 S'000	+ / (-) %
Net loss for the financial period		(126)	(681)	-81.50
Other comprehensive loss				
Item that will not be reclassified subsequently to profit or loss:				
Financial assets, fair value through other comprehensive income				
- Fair value loss		(729)	(250)	191.60
Other comprehensive loss, net of tax		(729)	(250)	191.60
Total comprehensive loss for the financial period		(855)	(931)	-8.16
Total comprehensive loss attributable to :				
Equity holders of the Company		(855)	(931)	-8.16

B. Condensed interim statements of financial position

	Note	30.06.2024 \$'000	31.12.2023 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		65,562	69,833
Trade and other receivables	13 (a)	6,528	7,581
Other investments, at amortised cost		9,104	8,137
Inventories		6,420	6,141
Rental deposit		605	613
Other current assets		2,312	1,751
		<u>90,531</u>	<u>94,056</u>
Non-current assets			
Trade and other receivables	13 (b)	395	760
Financial assets, at FVOCI	14	2,659	3,388
Other investments, at amortised cost		16,969	18,246
Club memberships		123	170
Investment in an associate	15	-	1,416
Rental deposits		4,316	4,306
Investment properties	16	24,672	25,788
Property, plant and equipment	17	17,481	18,988
Right-of-use assets	18	1,563	5,803
		<u>68,178</u>	<u>78,865</u>
Total assets		<u>158,709</u>	<u>172,921</u>
LIABILITIES			
Current liabilities			
Trade and other payables		27,289	31,346
Lease liabilities		16,717	17,795
		<u>44,006</u>	<u>49,141</u>
Non-current liabilities			
Trade and other payables		3,155	3,734
Provisions		3,620	3,557
Lease liabilities		2,277	9,983
		<u>9,052</u>	<u>17,274</u>
Total liabilities		<u>53,058</u>	<u>66,415</u>
NET ASSETS		<u>105,651</u>	<u>106,506</u>
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	19	91,710	91,710
General reserve		17,000	17,000
Fair value reserve		(13)	716
Currency translation reserve		79	79
Other reserves		(42)	(42)
Accumulated losses		(3,083)	(2,957)
Total equity		<u>105,651</u>	<u>106,506</u>

C. Condensed interim statements of changes in equity

	Share capital \$'000	General reserve \$'000	Fair value reserve \$'000	Currency translation reserve \$'000	Other reserves \$'000	Accumulated loss \$'000	Total \$'000
Balance at 1 January 2024	91,710	17,000	716	79	(42)	(2,957)	106,506
Total comprehensive loss for the period	-	-	(729)	-	-	(126)	(855)
Balance at 30 June 2024	<u>91,710</u>	<u>17,000</u>	<u>(13)</u>	<u>79</u>	<u>(42)</u>	<u>(3,083)</u>	<u>105,651</u>
Balance at 1 January 2023	91,710	17,000	1,328	79	(42)	(1,798)	108,277
Total comprehensive loss for the period	-	-	(250)	-	-	(681)	(931)
Balance at 30 June 2023	<u>91,710</u>	<u>17,000</u>	<u>1,078</u>	<u>79</u>	<u>(42)</u>	<u>(2,479)</u>	<u>107,346</u>

D. Condensed interim consolidated statement of cash flows

	6 months ended 30.06.2024 S'000	6 months ended 30.06.2023 S'000
Cash flows from operating activities		
Loss before income tax	(126)	(681)
Adjustments for:		
Depreciation expense	3,447	5,707
Loss on written off club membership	47	-
Loss on property, plant and equipment written off	46	-
Interest income	(1,671)	(1,318)
Changes in provisions for other liabilities and charges	63	79
Interest expense	478	830
Impairment loss on financial assets	12	20
Gain on liquidation of an associate	(2)	-
Impairment loss on right-of-use assets	2,541	1,837
Impairment loss on property, plant and equipment	1,268	737
Dividend income	(62)	(123)
Income from modification of ROU leases	-	(147)
Income from recognition of net investment in subleases	(54)	(280)
	<u>5,987</u>	<u>6,661</u>
Changes in working capital		
Trade and other receivables	1,855	(498)
Inventories	(279)	149
Other assets and rental deposits	(563)	(1,034)
Trade and other payables	(4,636)	(8,943)
Cash provided by / (used in) operations	<u>2,364</u>	<u>(3,665)</u>
Income taxes paid	-	-
Net cash provided by / (used in) operating activities	<u>2,364</u>	<u>(3,665)</u>
Cash flows from investing activities		
Proceeds from liquidation of an associate	1,418	-
Payment for investment property	-	(7)
Payment for property, plant and equipment	(509)	(1,236)
Purchases of other investments, at amortised cost	(4,939)	(5,115)
Proceeds from maturity / early redemption by issuers of other investments, at amortised cost	5,247	6,000
Interest received	1,381	1,587
Dividend received	62	123
Net cash provided by investing activities	<u>2,660</u>	<u>1,352</u>
Cash flows from financing activities		
Interest paid	(478)	(830)
Principal payment of lease liabilities	(8,817)	(8,279)
Net cash used in financing activities	<u>(9,295)</u>	<u>(9,109)</u>
Net decrease in cash and cash equivalents	<u>(4,271)</u>	<u>(11,422)</u>
Cash and cash equivalents at beginning of the financial period	<u>69,833</u>	<u>74,542</u>
Cash and cash equivalents at end of the financial period	<u>65,562</u>	<u>63,120</u>

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Isetan (Singapore) Limited (the "Company") is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These are condensed interim financial statements as at and for the six months ended 30 June 2024 of the Company. The principal activities of the Company are to carry on the business of operating department stores, operating supermarkets, to trade in general merchandise and to earn rental income from its investment

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2024 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 Company's financial position and performance of the Company since the last annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year 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.

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

2.1. New and amended standards adopted by the Company

A number of amendments to Standards have become applicable for the current reporting period. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim 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.

Management has considered the current market conditions and global issues in the areas of estimation. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2023.

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note 18 – Critical judgement over the lease terms

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

Note 11 – Impairment of property, plant and equipment ("PPE") and Right-of-use ("ROU") assets

3. Seasonal operations

The Company is in the business of operating department stores, operating supermarkets, to trade in general merchandise and to earn rental income from its investment properties. Due to the seasonal nature of the department stores and supermarkets segments, higher revenues and operating profits are usually expected during the festive seasons such as Christmas and Chinese new year.

4. Segment information

Management has determined the operating segments based on the reports reviewed by the Executive Committee ("Exco") that are used to make strategic decisions. The Exco comprises the Managing Director and certain key executives in charge of the various functional areas. Operating segments that have similar economic characteristics and similar nature of products and services are aggregated into a single reportable segment.

The Exco sees the business being organised into two reportable segments:

- The Retail segment is involved in the business of retailing and operating of department stores and supermarkets.
- The Property segment is mainly involved in the leasing of properties owned by the Company

Segment assets consist primarily of right-of-use assets, property, plant and equipment, inventories, receivables, investment properties and exclude cash and cash equivalents, investment in an associate, other investments at amortised cost, financial assets, at FVOCI and other assets. Segment liabilities comprise payables and provisions. Capital expenditures comprises additions to property, plant and equipment and investment properties.

There are no sales or other transactions between the reportable segments.

4.1. Reportable segments

1 January 2024 to 30 June 2024	Retail	Property	Total
Segment revenue			
Sales to external customers	31,953	-	31,953
Rental income - investment property	-	5,438	5,438
Other rental income	1,213	-	1,213
Income from recognition of net investment in subleases	54	-	54
Segment result	(4,243)	2,395	(1,848)
Other income			1,825
Other losses - net			(103)
Net loss			(126)
Other segment items			
Capital expenditure	509	-	509
Depreciation	2,331	1,116	3,447
Impairment on property, plant and equipment	1,268	-	1,268
Impairment on right-of-use assets	2,541	-	2,541
Assets and liabilities			
Segment assets	37,827	26,588	64,415
Unallocated assets:			
- Cash and cash equivalents			65,562
- Other investments, at amortised costs			26,073
- Financial assets, at FVOCI			2,659
Total assets			158,709
Segment liabilities	49,281	3,777	53,058
Total liabilities			53,058

1 January 2023 to 30 June 2023	Retail	Property	Total
Segment revenue			
Sales to external customers	35,839	-	35,839
Rental income - investment property	-	5,222	5,222
Other rental income	845	-	845
Income from modification of ROU leases	147	-	147
Government grant income	1	-	1
Income from recognition of net investment in subleases	280	-	280
Segment result	(4,190)	1,984	(2,206)
Other income			1,545
Other losses - net			(20)
Net loss			(681)
Other segment items			
Capital expenditure	1,236	7	1,243
Depreciation	4,459	1,248	5,707
Impairment on property, plant and equipment	737	-	737
Impairment on right-of-use assets	1,837	-	1,837
Assets and liabilities			
Segment assets	56,338	29,155	85,493
Unallocated assets:			
- Cash and cash equivalents			63,120
- Other investments, at amortised costs			26,412
- Financial assets, at FVOCI			3,750
Total assets			178,775
Segment liabilities	67,779	3,650	71,429
Total liabilities			71,429

4.2. Disaggregation of Revenue

The Company derives revenue from contracts with customers through the transfer of goods at a point in time and these pertain to retail revenue derived in Singapore. Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Company as at 30 June 2024 and 31 December 2023:

	30.06.2024 \$'000	31.12.2023 \$'000
Financial assets		
Cash and cash equivalents	65,562	69,833
Trade and other receivables	6,923	8,341
Financial assets, at FVOCI	2,659	3,388
Other investment, at amortised cost	26,073	26,383
Other financial assets	4,929	4,955
	<u>106,146</u>	<u>112,900</u>
Financial liabilities		
Trade and other payables	24,134	31,036
Lease liabilities	18,994	27,778
	<u>43,128</u>	<u>58,814</u>

6. Revenue

	6 months ended 30.06.2024 \$'000	6 months ended 30.06.2023 \$'000
Revenue		
- Sales of goods	17,945	20,302
- Consignment income	14,008	15,537
- Rental income	5,438	5,222
	<u>37,391</u>	<u>41,061</u>

7. Other income

	6 months ended 30.06.2024 \$'000	6 months ended 30.06.2023 \$'000
Other income		
- Rental income	1,213	845
- Government grant income	-	1
- Sundry income	92	104
- Dividend income from listed equity securities, at FVOCI	62	123
- Income from modification of ROU leases	-	147
- Interest income from financial assets measured at amortised cost	1,671	1,318
- Income from recognition of net investment in subleases	54	280
	<u>3,092</u>	<u>2,818</u>

8. Other losses - net

	6 months ended 30.06.2024 \$'000	6 months ended 30.06.2023 \$'000
Other losses		
- Impairment loss on financial assets	(12)	(20)
- Loss on property, plant and equipment written off	(46)	-
- Gain on liquidation of an associate	2	-
- Loss on written off club membership	(47)	-
	<u>(103)</u>	<u>(20)</u>

9. Employee compensation

	6 months ended 30.06.2024 \$'000	6 months ended 30.06.2023 \$'000
Employee compensation		
- Wages and salaries	7,513	7,381
- Employer's contribution to defined contribution plans including Central Provident Fund	743	844
- Retirement benefit scheme expense	50	52
	<u>8,306</u>	<u>8,277</u>
- Less: Government grants	(902)	(498)
	<u>7,404</u>	<u>7,779</u>

10. Other expenses

	6 months ended 30.06.2024 \$'000	6 months ended 30.06.2023 \$'000
Other expenses mainly consist of		
- Advertising and promotion	1,650	1,580
- Delivery	302	481
- License fees, property and miscellaneous taxes	554	546
- Credit card commissions	1,115	1,163
- Royalty	449	420
- Supplies, repair and maintenance	1,529	1,428
- Utilities	1,375	1,523
	<u>8,575</u>	<u>8,541</u>

11. Impairment

Continued losses in the Retail segment in the current financial period have triggered the need for impairment assessment on PPE and ROU assets.

The recoverable amounts of the PPE and ROU assets in the loss-making retail stores are obtained based on the Value-in-use ("VIU") method and the discount rate used at 30 June 2024 was 8.50% (30 June 2023: 9.00%). The growth rates and rental income assumptions applied in the VIU computations are based on financial budgets prepared by management and the identification of CGU (retail store) is in line with the Company's strategic objective in managing the Retail segment.

The recoverable amount of the corporate assets under the Retail segment is based on the fair value less costs to sell ("FVLCTS") method. The fair values of these corporate assets at the balance sheet date were largely based on property valuations obtained from independent professional valuers, taking into account recently transacted values and capitalisation rates for similar properties. The fair values of the properties are classified as Level 3 fair value measurement.

For the six months ended 30 June 2024, an impairment charge of \$1,268,000 and \$2,541,000 (six months ended 30 June 2023: \$737,000 and \$1,837,000) were recorded to reduce the carrying values of PPE and ROU assets respectively in each loss-making retail store under the Retail segment to their respective estimated recoverable amounts. No impairment charge was recorded on the corporate assets (mainly comprising of land and buildings) in the Retail segment.

12. Net asset value

	30.06.2024	31.12.2023
	\$	\$
Net asset value per ordinary shares	2.56	2.58

13. Trade and other receivables

	30.06.2024	31.12.2023
	\$'000	\$'000
(a) Current		
Trade receivables		
- Immediate holding corporation	89	1
- Non-related parties	2,677	3,122
	2,766	3,123
Less: Allowance for impairment of receivables - non-related parties	(30)	(30)
	2,736	3,093
Grant receivables	271	231
Interest receivable	524	286
Accrued receivables	1,326	1,464
Finance lease receivables	1,671	2,507
	6,528	7,581
(b) Non-Current		
Other receivables		
Finance lease receivables	41	388
Deposits	354	372
	395	760

14. Financial Assets, at fair value through other comprehensive income

Financial assets, at fair value through other comprehensive income comprise the following:

	30.06.2024	31.12.2023
	\$'000	\$'000
Singapore listed equity securities		
- CapitalLand Ascendas Reit	2,306	2,729
- Others	136	140
	2,442	2,869
Unquoted equity		
- Isetan of Japan Sdn. Bhd.	217	519
	2,659	3,388

During the six-month period ended 30 June 2024, the Company did not dispose any of its investments.

14.1. Fair value measurement

The Company classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (Level 3).

The following table presented the assets measured at fair value:

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
30 June 2024				
Financial assets				
FVOCI investments	2,442	-	217	2,659
31 December 2023				
Financial assets				
FVOCI investments	2,869	-	519	3,388

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

The financial instrument included in Level 3 comprises of an investment that does not have quoted prices from active markets for the fair value to be based on. Instead, the fair value is measured using the estimated EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) multiplied by the EBITDA Multiple. The estimated EBITDA incorporates assumptions based on market conditions existing at the balance sheet date, and the EBITDA Multiple is derived from a set of comparable entities. The selection of the appropriate EBITDA Multiple requires judgement, considering qualitative and quantitative factors specific to the measurement at the balance sheet date.

15. Investment in an associate

Upon the completion of the liquidation process in April 2024, the Company has received the final distribution amounting to \$1,418,000, calculated based on a 17.24% equity holding.

16. Investment properties

The Company's investment properties consist of both commercial and industrial properties, held for rental yields and/or capital appreciation and are not substantially occupied by the Company. They are leased to third parties under operating leases.

	2024 \$'000	2023 \$'000
Cost		
Beginning of financial period	88,174	88,167
Additions	-	7
End of interim period	<u>88,174</u>	<u>88,174</u>
Accumulated depreciation		
Beginning of financial period	62,386	59,907
Depreciation charge	1,116	1,248
End of interim period	<u>63,502</u>	<u>61,155</u>
Net book value as at 30 June	<u>24,672</u>	<u>27,019</u>

17. Property, plant and equipment

During the six months ended 30 June 2024, the Company acquired assets amounting to \$509,000 (30 June 2023: \$1,236,000) and did not dispose any of the assets (30 June 2023: did not dispose any of the assets). For the six-months ended 30 June 2024, an impairment loss of \$1,268,000 on property, plant and equipment ("PPE") (six months ended 30 June 2023: \$737,000) was recorded to reduce the carrying value of PPE.

18. Right-of-Use assets

Extension option is included in the lease term if the lease is reasonably certain to be extended. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the extension option.

For the six-months ended 30 June 2024, an impairment loss of \$2,541,000 on right-of-use assets ("ROU") (six months ended 30 June 2023: \$1,837,000) was recorded to reduce the carrying value of ROU.

As at 30 June 2024, management has assessed that there were no changes in key judgements over the lease term as compared to 31 December 2023.

19. Share capital

The Company's share capital comprises fully paid-up 41,250,000 (31 December 2023: 41,250,000) ordinary shares with no par value, amounting to a total of \$91,710,000 (31 December 2023: \$91,710,000).

20. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following related party transactions took place between the Company and related corporations during the financial year:

	6 months ended 30.06.2024 \$'000	6 months ended 30.06.2023 \$'000
Royalty payable to immediate holding corporation	449	420
Purchases from immediate holding corporation	-	7
Purchases from fellow subsidiary	<u>90</u>	<u>-</u>

21. Commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements, are as follows:

	30.06.2024 \$'000	31.12.2023 \$'000
Investment properties	<u>469</u>	<u>471</u>

22. Subsequent events

The Company performed a review of events subsequent to the balance sheet date and determined that there were no such events requiring recognition or disclosure in the financial statements.

23. Dividend

The Company did not propose any interim dividend for the period ended 30 June 2024.

24. Taxation

The Company calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. There is no income tax expense in the six months ended 30 June 2024 and 30 June 2023 due to tax losses brought forward from prior years.

Other Information

1. Review

The condensed interim balance sheet of Isetan (Singapore) Limited as at 30 June 2024 and the related condensed interim income statement and condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Company**Income Statement****Overview**

The Company recorded a net loss of \$126,000 for the six months ended 30 June 2024 as compared to a net loss of \$681,000 for the six months ended 30 June 2023 mainly due to the following:

Revenue

Revenue for the period ended 30 June 2024 ("1H 2024") was \$37,391,000, a decrease of 8.94% over the corresponding period ("1H 2023"). The overall decrease in Company revenue was due to the lower sale of goods and consignment income from the retail segment, partly offset by higher rental income from the Isetan Wisma Atria investment property ("investment property").

Revenue from investment property for 1H 2024 increased as compared to the same period last year due to new operating lease income from Isetan Wisma Atria.

Other income

Other income for 1H 2024 was \$3,092,000, an increase of 9.72% over the corresponding period ("1H 2023"). The increase in other income was mainly due to higher rental income and higher interest income from financial assets measured at amortised cost, and offset by lower income from recognition of net investment in subleases, no income from modification of ROU leases and lower dividend income.

Other losses - net

Other losses for the 1H 2024 was \$103,000, an increase over the corresponding period ("1H 2023"). Other losses mainly consist of impairment of other investments, at amortised cost, loss on fixed assets written off and loss on written off club membership.

Changes in inventories of finished goods

Changes in inventories of finished goods for 1H 2024 was \$279,000, an increase of \$428,000 as compared to the corresponding quarter ("1H 2023"). The fluctuation was mainly due to lower stock loss recorded in 1H 2024 as compared to 1H 2023.

Purchases of inventories and related costs

Purchases of inventories and related costs for 1H 2024 was \$13,195,000, a decrease of 14.04% over the corresponding period ("1H 2023"). The decrease was mainly due to lower stock loss recorded in 1H 2024 as compared to 1H 2023.

Employee compensation

Employee compensation for the 1H 2024 was \$7,404,000, a decrease of 4.82% over the corresponding period ("1H 2023"). The decrease in 1H 2024 was mainly due to higher government grants recorded in 1H 2024 as compared to 1H 2023.

Depreciation expense

Depreciation expense for the 1H 2024 was \$3,447,000, a decrease of 39.60% over the corresponding period ("1H 2023"). The decrease was mainly due to the additional impairment loss on right-of-use assets and property, plant and equipment provided in the financial year ended 31 December 2023.

Rental and service charge expense

Rental and service charge expense for the 1H 2024 was \$3,865,000, an increase of 8.48% over the corresponding period ("1H 2023"). The increase was due to reclassification of the gross rental income associated with external sale events from "Rental and service charge expense" to "Other income" for 1H 2024.

Impairment losses

Losses in the retail segment is reflective of the continuing challenges in the retail industry. Accordingly, an impairment charge of \$1,268,000 on property, plant and equipment ("PPE") and \$2,541,000 on right-of-use assets ("ROU") (1H 2023: \$737,000 on PPE and \$1,837,000 on ROU) was recorded in 1H 2024 to reduce the carrying value of these assets in the retail segment. This need for impairment was the main contributing factor to the Company reporting a net loss for 1H 2024.

Other expenses

Other expenses for the 1H 2024 was \$8,587,000, a decrease of 0.01% over the corresponding period ("1H 2023"). No significant fluctuation was noted for 1H 2024 as compared to 1H 2023.

Balance Sheet

The reduction in other investments, at amortised cost were mainly due to the bonds which had matured and were subsequently placed in fixed deposit.

The reduction in right-of-use ("ROU") assets were mainly due to the depreciation charges and impairment for the financial period ended 30 June 2024.

Trade and other payables as at 30 June 2024 decreased by \$4,636,000 compared with 31 December 2023, mainly due to repayment made to trade and other creditors.

The decrease in lease liabilities were mainly due to repayments made to the landlord.

Statement of Cash Flows

There was a decrease in cash and cash equivalents amounting to \$4,271,000 in 1H 2024, compared to a net decrease of \$11,422,000 in 1H 2023. This was mainly attributed to higher cash provided by working capital and investing activities, partly offset with the increase of cash used in financing activities in 1H 2024.

Net cash provided by operating activities was \$2,364,000 in 1H 2024 as compared to net cash used of \$3,665,000 in 1H 2023. This was mainly the result of increase in cash inflows from trade and other receivables and decrease in cash outflows for trade and other payables, partly offset by the increase in cash outflows for inventories.

Net cash provided by investing activities for 1H 2024 was \$2,660,000 compared to net cash of \$1,352,000 generated in 1H 2023. This was mainly the result of proceeds received from liquidation of an associate, lower payment for property, plant and equipment and lower purchases of the other investments, at amortised cost which is partially offset with lower proceeds from maturity and early-redemption of investments, lower interest received and lower dividend received.

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

No forecast was made previously.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Company operates and any known factors or events that may affect the Company in the next operating period and the next 12 months

Based on advance estimates from Ministry of Trade and Industry's (MTI) released on 12 July 2024, the Singapore economy grew by 2.9 per cent on a year-on-year basis in the second quarter of 2024, extending the 3.0 per cent growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 0.4 per cent, slightly faster than the 0.3 per cent expansion in the first quarter of 2024. Growth was primarily driven by the information and communications, finance and insurance, and professional services sectors. The wholesale and retail trade, and transportation and storage sectors collectively expanded by 2.5 per cent year-on-year in the second quarter, moderating from the 3.9 per cent growth in the previous quarter.

Despite the above outlook, the Company continues to face challenges in maintaining the recovery momentum post pandemic, particularly for its retail business. Shifts in consumer preferences and behaviours require us to make major changes rapidly in product offerings, retail format and business practices. In addition, outbound travel due to the strong currency may encourage some of our customers to increase discretionary spending overseas instead of in Singapore. Furthermore, sustained high operating costs continue to pose significant challenges for the Company as it strives to achieve profitability in its retail segment.

As announced on 25 April 2024, the Company has executed a new lease for part of the Office Building in Havelock Road which it owns. The lease is conditional upon the tenant securing the necessary approvals from the relevant authorities to use the premises for its intended purpose. Should the tenancy proceed, this will be positive for the Company's property segment.

5. Dividend information

(a) Current Financial Year Reported On

The Company did not propose any interim dividend for the period ended 30 June 2024.

(b) Corresponding Period of the Immediately Preceding Financial Year

The Company did not propose any interim dividend for the corresponding period of the immediately preceding financial year.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the six months ended 30 June 2024 due to loss suffered during the current period.

7. Interested person transactions

The Company has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

9. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder.

Pursuant to Rule 704(13) of the Listing Manual, Isetan (Singapore) Limited confirms that there are no persons occupying a managerial position in the Company who is a relative of a director, chief executive officer or substantial shareholder of the Company.

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Shioji Hiramatsu
Director

Richard Tan Chuan-Lye
Director

Singapore
2 August 2024