
**Differences between Audited and Unaudited Financial Statements
for the year ended 31 December 2019 (“FY2019”)**

The Board of Directors (the “**Board**”) of Isetan (Singapore) Limited (the “**Company**”) refers to the unaudited full year financial results announcement for the financial year ended 31 December 2019 (“**FY2019**”) released via SGXNet on 27 February 2020 (the “**Unaudited Financial Statements**”).

The Board wishes to highlight and clarify the differences between the Unaudited Financial Statements and the audited financial statements for FY2019 following the finalisation of the audit. The differences and the reasons for such differences are set out in the explanatory notes attached.

The Company’s net asset value per share would increase from \$3.11 (as previously reported via announcement on 27 February 2020) to \$3.13 and the loss per share would reduce from 65.91 cents (as previously reported via announcement on 27 February 2020) to 64.32 cents.

BY ORDER OF THE BOARD

Lun Chee Leong
Company Secretary
31 March 2020

**Differences between Audited and Unaudited Financial Statements
for the year ended 31 December 2019 (“FY2019”)**

1(a) Income statement and statement of comprehensive income

	Audited 31.12.2019 \$'000	Unaudited 31.12.2019 \$'000	Difference \$'000	Explanation
Revenue	111,885	111,885	-	
Other Income	10,449	7,143	3,306	Note A
Other (losses)/gains				
-Impairment loss on financial assets	(583)	(583)	-	
-Others	(29)	(29)	-	
Total other losses	(612)	(612)	-	
Expenses				
-Changes in Inventories of finished goods	(1,009)	(1,009)	-	
-Purchases of Inventories and related costs	(41,684)	(41,684)	-	
-Employee compensation	(18,084)	(18,084)	-	
-Depreciation expense	(24,542)	(24,542)	-	
-Rental expense	(6,310)	(6,310)	-	
-Service charge expense	(6,322)	(6,322)	-	
-Interest expense	(3,090)	(3,090)	-	
-Impairment loss on property, plant and equipment	(4,321)	(3,808)	(513)	Note B
-Impairment loss on right-of-use assets	(24,795)	(22,658)	(2,137)	Note B
-Provision for onerous contracts	(755)	(755)	-	
-Other expenses	(17,731)	(17,731)	-	
Total expenses	(148,643)	(145,993)	(2,650)	
Share of profit of an associated company	389	389	-	
Loss before income tax	(26,532)	(27,188)	656	
Income tax expense	-	-	-	
Net loss after tax for the financial year	(26,532)	(27,188)	656	
Attributable to :				
Equity holders of the Company	(26,532)	(27,188)	656	

	Audited 31.12.2019 \$'000	Unaudited 31.12.2019 \$'000	Difference \$'000
Net loss for the financial year	(26,532)	(27,188)	656
Other Comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences	(49)	(49)	-
Items that will not be reclassified subsequently to profit or loss:			
Financial assets, fair value through other comprehensive Income			
-Fair value gain	358	358	-
Actuarial gain on the retirement benefit obligation	-	-	-
Other comprehensive income, net of tax	309	309	-
Total comprehensive loss for the financial year	(26,223)	(26,879)	656
Total comprehensive loss attributable to:			
Equity holders of the Company	(26,223)	(26,879)	656

1(b) Balance Sheet

	Audited 31.12.2019 \$'000	Unaudited 31.12.2019 \$'000	Difference \$'000	Explanation
ASSETS				
Current assets				
Cash and cash equivalents	39,319	39,319	-	
Trade and other receivables	6,335	5,386	949	Note A
Other Investments at amortised cost	20,200	20,200	-	
Rental deposit	748	748	-	
Inventories	8,800	8,800	-	
Other current assets	2,636	2,636	-	
	<u>78,038</u>	<u>77,089</u>	<u>949</u>	
Non-current assets				
Trade and other receivables	4,357	99	4,258	Note A
Financial assets, FVOCI	4,417	4,417	-	
Other Investments at amortised cost	49,429	49,429	-	
Club memberships	205	205	-	
Investment in an associated company	1,852	1,852	-	
Rental deposits	5,525	5,525	-	
Investment properties	35,290	35,290	-	
Property, plant and equipment	26,432	26,945	(513)	Note B
Right-of-use assets	60,616	64,654	(4,038)	Note A,B
	<u>188,123</u>	<u>188,416</u>	<u>(293)</u>	
Total assets	<u>266,161</u>	<u>265,505</u>	<u>656</u>	
LIABILITIES				
Current liabilities				
Trade and other payables	40,938	40,938	-	
Provisions for other liabilities and charges	1,214	1,214	-	
Lease liabilities	19,892	19,892	-	
	<u>62,044</u>	<u>62,044</u>	<u>-</u>	
Non-current liabilities				
Trade and other payables	3,520	3,520	-	
Provisions for other liabilities and charges	1,856	1,856	-	
Lease liabilities	69,740	69,740	-	
	<u>75,116</u>	<u>75,116</u>	<u>-</u>	
Total liabilities	<u>137,160</u>	<u>137,160</u>	<u>-</u>	
NET ASSETS	<u>129,001</u>	<u>128,345</u>	<u>656</u>	
EQUITY				
Share capital	91,710	91,710	-	
General reserve	17,000	17,000	-	
Fair value reserve	1,841	1,841	-	
Currency translation reserve	(64)	(64)	-	
Other reserves	291	291	-	
Retained earnings	18,223	17,567	656	
Total equity	<u>129,001</u>	<u>128,345</u>	<u>656</u>	

Note

A	<p>The Company acts as an intermediate lessor in arrangements under which it subleases retail space, that were rented from the property owners under 'head lease' arrangements. With the adoption of SFRS(I) 16 during the financial year, certain subleases meet the definition of finance leases. As at 31 December 2019, the Company recorded finance lease receivables (classified under 'trade and other receivables') of \$5,207,000 from these subleases and de-recognised right-of-use ('ROU') assets of \$1,901,000, which represents the portion of the head lease that was transferred to the sublessee. The difference between the receivables recorded and ROU assets de-recognised of \$3,306,000 is recognised under 'Other income' for the financial year ended 31 December 2019.</p>
B	<p>Additional impairment charges of \$513,000 and \$2,137,000 were recorded on property, plant and equipment and ROU assets respectively, as compared to the previously reported impairment charge of \$3,808,000 and \$22,658,000 respectively.</p>