

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

	Note	6 months ended 30.06.2021 \$'000	6 months ended 30.06.2020 \$'000	+ / (-) %
Revenue	6	38,367	34,002	12.84
Other income	7	4,011	9,314	-56.94
Other (losses)/gains - net				
- Impairment loss on financial assets	8	(2)	(1,818)	N.M.
- Others	8	(48)	13	N.M.
Expenses				
- Changes in inventories of finished goods		(341)	(1,039)	-67.18
- Purchases of inventories and related costs		(14,524)	(12,810)	13.38
- Employee compensation	9	(7,633)	(7,455)	2.39
- Depreciation expense		(5,833)	(9,596)	-39.21
- Rental expense		(1,144)	(978)	16.97
- Service charge expense		(3,111)	(2,235)	39.19
- Interest expense		(1,050)	(1,224)	-14.22
- Other expenses	10	(7,447)	(6,477)	14.98
Total expenses		(41,083)	(41,814)	-1.75
Share of profit / (loss) of an associate		5	(14)	N.M.
Profit / (Loss) before income tax		1,250	(317)	N.M.
Income tax expense	22	-	-	
Net profit / (loss) after tax for the financial period		1,250	(317)	N.M.
Attributable to :				
Equity holders of the Company		1,250	(317)	N.M.
Earnings / (Loss) per share for net loss attributable to the equity holders of the Company (cents per share)				
- Basic		3.03 cents	(0.77) cents	
- Diluted		3.03 cents	(0.77) cents	
Net profit / (loss) for the financial period		1,250	(317)	N.M.
Other comprehensive income / (loss)				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences		46	38	21.05
Item that will not be reclassified subsequently to profit or loss:				
Financial assets, fair value through other comprehensive income				
- Fair value (loss)/gain		(789)	153	-615.69
Other comprehensive (loss)/income, net of tax		(743)	191	-489.01
Total comprehensive income / (loss) for the financial period		507	(126)	N.M.
Total comprehensive income / (loss) attributable to :				
Equity holders of the Company		507	(126)	N.M.

B. Condensed interim statements of financial position

	Note	30.06.2021 \$'000	31.12.2020 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		47,309	49,162
Trade and other receivables		4,988	6,141
Other investments, at amortised cost		7,960	14,433
Inventories		7,184	7,525
Rental deposit		777	-
Other current assets		2,135	2,032
		<u>70,353</u>	<u>79,293</u>
Non-current assets			
Trade and other receivables		5,508	5,978
Financial assets, at FVOCI	13	3,730	4,518
Other investments, at amortised cost		28,580	29,996
Club memberships		170	170
Investment in an associate		2,083	2,033
Rental deposits		4,445	5,232
Investment properties	14	31,623	32,851
Property, plant and equipment	15	24,341	24,683
Right-of-use assets	16	25,351	29,139
		<u>125,831</u>	<u>134,600</u>
Total assets		<u>196,184</u>	<u>213,893</u>
LIABILITIES			
Current liabilities			
Trade and other payables		21,853	31,289
Provisions		478	-
Lease liabilities		16,955	16,758
		<u>39,286</u>	<u>48,047</u>
Non-current liabilities			
Trade and other payables		2,402	2,892
Provisions		1,933	2,386
Lease liabilities		45,239	53,751
		<u>49,574</u>	<u>59,029</u>
Total liabilities		<u>88,860</u>	<u>107,076</u>
NET ASSETS		<u>107,324</u>	<u>106,817</u>
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	17	91,710	91,710
General reserve		17,000	17,000
Fair value reserve		1,058	1,847
Currency translation reserve		80	34
Other reserves		291	291
Retained earnings/ (accumulated losses)		(2,815)	(4,065)
Total equity		<u>107,324</u>	<u>106,817</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	Retained earnings / (Accumulated loss) \$'000	Total \$'000
Balance at 1 January 2021	91,710	17,000	1,847	34	291	(4,065)	106,817
Total comprehensive income / (loss) for the period	-	-	(789)	46	-	1,250	507
Balance at 30 June 2021	<u>91,710</u>	<u>17,000</u>	<u>1,058</u>	<u>80</u>	<u>291</u>	<u>(2,815)</u>	<u>107,324</u>
Balance at 1 January 2020	91,710	17,000	1,841	(64)	291	18,223	129,001
Total comprehensive (loss) / income for the period	-	-	153	38	-	(317)	(126)
Balance at 30 June 2020	<u>91,710</u>	<u>17,000</u>	<u>1,994</u>	<u>(26)</u>	<u>291</u>	<u>17,906</u>	<u>128,875</u>

D. Condensed interim consolidated statement of cash flows

	6 months ended 30.06.2021 S'000	6 months ended 30.06.2020 S'000
Cash flows from operating activities		
Profit / (Loss) before income tax	1,250	(317)
Adjustments for:		
Depreciation expense	5,833	9,596
Amortisation of capitalised letting fees	-	2
Loss on disposal of other investments, at amortised cost	48	-
Gain in disposal of club memberships	-	(13)
Interest income	(874)	(1,360)
Changes in provisions for other liabilities and charges	25	42
Interest expense	1,050	1,224
Impairment loss on financial assets	2	1,818
Dividend income	(69)	(34)
Rent concession income	(29)	(2,979)
Income from recognition of net investment in sublease	(109)	(1,393)
Share of (profit) / loss of an associate	(5)	14
	<u>7,122</u>	<u>6,600</u>
Changes in working capital		
Trade and other receivables	2,031	(2,316)
Inventories	341	1,039
Other assets and rental deposits	(93)	510
Trade and other payables	(9,926)	(18,394)
Provisions	-	(755)
Cash used in operations	<u>(525)</u>	<u>(13,316)</u>
Income taxes refunded	-	-
Net cash used in operating activities	<u>(525)</u>	<u>(13,316)</u>
Cash flows from investing activities		
Proceeds from disposal of club membership	-	45
Payments for property, plant and equipment	(782)	(4,125)
Purchases of other investments, at amortised cost	(2,654)	(502)
Proceeds from maturity / early redemption by issuers of other investments, at amortised cost	10,451	18,450
Interest received	918	1,554
Dividend received	69	34
Net repayments from employees	6	7
Net cash generated from investing activities	<u>8,008</u>	<u>15,463</u>
Cash flows from financing activities		
Interest paid	(1,050)	(1,334)
Payment of finance lease liabilities	(8,286)	(6,984)
Net cash used in financing activities	<u>(9,336)</u>	<u>(8,318)</u>
Net decrease in cash and cash equivalents	<u>(1,853)</u>	<u>(6,171)</u>
Cash and cash equivalents at beginning of the financial period	<u>49,162</u>	<u>39,319</u>
Cash and cash equivalents at end of the financial period	<u>47,309</u>	<u>33,148</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 2021 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 properties.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2021 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 2020.

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.

The Company had early adopted the amendments to "SFRS(I) 16 Covid-19-Related Rent Concessions beyond 30 June 2021" on 1 January 2021. Amendment to SFRS(I) 16 Covid-19-Related Rent Concessions provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19, resulting in a reduction in lease payments due on or before 30 June 2021, was a lease modification. On 31 March 2021, a further amendment was published to extend the date of the practical expedient from 30 June 2021 to 30 June 2022.

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.

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 2020.

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 16 – 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 2021 to 30 June 2021

	Retail	Property	Total
Segment revenue			
Sales to external customers	34,487	-	34,487
Rental income - investment property	-	3,880	3,880
Other rental income	847	-	847
Rental concession income	29	-	29
Government grant income	1,858	-	1,858
Income from recognition of net investment in subleases	109	-	109
Segment result	(1,099)	1,226	127
Other income			1,168
Other losses			(50)
Share of profit of an associated Company			5
Net profit			1,250

Other segment items

Capital expenditure	782	-	782
Depreciation	4,605	1,228	5,833

Assets and liabilities

Segment assets	74,608	31,914	106,522
Unallocated assets:			
- Investment in an associated Company			2,083
- Cash and cash equivalents			47,309
- Other investments at amortised costs			36,540
- Financial assets, at FVOCI			3,730
Total assets			196,184
Segment liabilities	86,256	2,604	88,860
Total liabilities			88,860

1 January 2020 to 30 June 2020

	Retail	Property	Total
Segment revenue			
Sales to external customers	30,809	-	30,809
Rental income - investment property	-	3,193	3,193
Other rental income	440	-	440
Rental concession income	2,979	-	2,979
Government grant income	3,295	-	3,295
Income from recognition of net investment in subleases	1,085	-	1,085
Segment result	(630)	617	(13)
Other income			1,515
Other losses			(1,805)
Share of loss of an associated Company			(14)
Net loss			(317)

Other segment items

Capital expenditure	4,125	-	4,125
Addition to ROU	380		380
Depreciation	8,409	1,187	9,596
Impairment on PPE			-
Impairment on ROU			-
Provision for onerous contracts			-

Assets and liabilities

Segment assets	110,872	35,137	146,009
Unallocated assets:			
- Investment in an associated Company			1,876
- Cash and cash equivalents			33,148
- Other investments at amortised costs			50,428
- Financial assets, at FVOCI			4,570
Total assets			236,031
Segment liabilities	103,350	3,806	107,156
Total liabilities			107,156

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.

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 2021 and 31 December 2020:

	30.06.2021 \$'000	31.12.2020 \$'000
Financial assets		
Cash and cash equivalents	47,309	49,162
Trade and other receivables	10,496	12,119
Financial assets, at FVOCI	3,730	4,518
Other investment, at amortised cost	36,540	44,429
Other financial assets	5,262	5,263
	<u>103,337</u>	<u>115,491</u>
Financial liabilities		
Trade and other payables	19,801	29,156
Lease liabilities	62,194	70,509
	<u>81,995</u>	<u>99,665</u>

6. Revenue

	6 months ended 30.06.2021 \$'000	6 months ended 30.06.2020 \$'000
Revenue		
- Sales of goods	20,925	19,421
- Consignment income	13,562	11,388
- Rental income	3,880	3,193
	<u>38,367</u>	<u>34,002</u>

7. Other Income

	6 months ended 30.06.2021 \$'000	6 months ended 30.06.2020 \$'000
Other income		
- Rental income	847	440
- Government grant income	1,858	3,295
- Rental concession income	29	2,979
- Sundry income	225	121
- Dividend income from listed equity securities, at FVOCI	69	34
- Interest income from financial assets measured at amortised cost	874	1,360
- Income from recognition of net investment in subleases	109	1,085
	<u>4,011</u>	<u>9,314</u>

8. Other (losses) / gains

	6 months ended 30.06.2021 \$'000	6 months ended 30.06.2020 \$'000
Other (losses) / gains		
- Impairment loss on financial assets	(2)	(1,818)
- (Loss)/gain on disposal of financial assets	(48)	13
	<u>(50)</u>	<u>(1,805)</u>

9. Employee Compensation

	6 months ended 30.06.2021 \$'000	6 months ended 30.06.2020 \$'000
Employee compensation		
- Wages and Salaries	7,216	6,996
contribution plans including Central Provident	695	684
- Retirement benefit scheme expense	37	39
	<u>7,948</u>	<u>7,719</u>
- Less: Government Grants	(315)	(264)
	<u>7,633</u>	<u>7,455</u>

10. Other Expenses

	6 months ended 30.06.2021 \$'000	6 months ended 30.06.2020 \$'000
Other expenses		
- Advertising and promotion	1,332	960
- Delivery	567	534
- License fees, property and miscellaneous taxes	602	602
- Credit card commissions	1,084	818
- Royalty	414	344
- Supplies, repair and maintenance	1,354	1,151
- Utilities	782	902

11. Impairment

Continued losses in the Retail segment in the current financial period is an indicator of impairment of PPE and ROU assets.

For the purpose of impairment testing, the recoverable amounts of the PPE and ROU assets are determined based on the higher of value-in-use ("VIU") and fair value less costs to sell ("FVLCTS"), for the cash-generating-unit ("CGU") (i.e. retail store) to which the assets belong.

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. Value in use as at 30 June 2021 was determined similarly to the 31 December 2020 impairment test and was based on key assumptions which include the discount rate, growth rates and rental income assumptions.

The recoverable amount of the corporate assets under the Retail segment is based on the fair value less costs to sell ("FVLCTS") method, which was determined similarly to the 31 December 2020 impairment test.

No impairment loss was required for the carrying amounts of the PPE and ROU assets as at 30 June 2021.

12. Net Asset Value

	30.06.2021	31.12.2020
Net asset value per ordinary shares	2.60	2.59

13. Financial Assets at fair value through other comprehensive income

	30.06.2021 \$'000	31.12.2020 \$'000
Singapore listed equity securities		
- Ascendas Reit	2,657	2,684
- Others	148	137
	2,805	2,821
Unquoted equity		
- Isetan Japan Sdn. Bhd.	925	1,697
	3,730	4,518

During the interim period, the Company did not dispose any of its investments.

13.1. 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 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
30 June 2021				
Financial assets				
FVOCI investments	2,805	0	925	3,730
31 December 2020				
Financial assets				
FVOCI investments	2,821	0	1,697	4,518

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.

14. Investment Properties

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

	2021 \$'000	2020 \$'000
Cost		
Beginning of financial year	87,816	87,799
Additions	-	-
Transfer from property, plant and equipment	-	-
End of interim period	<u>87,816</u>	<u>87,799</u>
Accumulated depreciation		
Beginning of financial year	54,965	52,509
Depreciation charge	1,228	1,187
Amortisation of letting fees	-	1
Transfer from property, plant and equipment	-	-
End of interim period	<u>56,193</u>	<u>53,697</u>
Net book value as at 30 June	<u>31,623</u>	<u>34,102</u>

15. Property, plant and equipment

During the six months ended 30 June 2021, the Company acquired assets amounting to \$782,000 (30 June 2020: \$4,125,000).

16. 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.

As at 30 June 2021, management has assessed that there were no changes in key judgements over the lease term as compared to 31 December 2020. The recoverable amounts of the PPE and ROU assets are obtained based on the VIU method and the discount rate used at 30 June 21 was 7.80% (30 June 2020: 7.80%). The growth rates and rental income assumptions applied in the VIU computations are based on the 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.

17. Share Capital

The Company's share capital comprises fully paid-up 41,250,000 (31 December 2020: 41,250,000) ordinary shares with no par value, amounting to a total of \$91,710,000 (31 December 2020: \$91,710,000).

18. 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 30.06.2021 \$'000	6 months ended 30.06.2020 \$'000
Royalty payable to immediate holding corporation	414	344
Purchases from immediate holding corporation	15	27
Technical fee receivable from an associate	0	26
Payments made on behalf by fellow subsidiary	<u>34</u>	<u>45</u>

19. Commitments

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

	30.06.2021 \$'000	31.12.2020 \$'000
Investment properties	489	491
Property, plant and equipment	<u>1,726</u>	<u>3,041</u>

20. 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.

21. Dividend

The Company did not propose any interim dividends for the period ended 30 June 2021.

22. 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 2021.

23. 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 or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

Other Information

1. Review

The condensed interim balance sheet of Isetan (Singapore) Limited as at 30 June 2021 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 generated a net profit of \$1,250,000 for the six months ended 30 June 2021 as compared to a loss of \$317,000 for the six months ended 30 June 2020 mainly due to the following:

Revenue

Revenue for the period ended 30 June 2021 ("1H 2021") was \$38,367,000, an increase of 12.84% over the corresponding period ("1H 2020"). The increase in Company revenue was due to the higher sale of goods from the retail segment, higher consignment income and higher rental income from the Isetan Wisma Atria investment property ("investment property"). The increase was mainly due to the stores being able to operate on a full six month basis for 1H 2021 as compared to the closure of the stores during the period 7 April to 18 June 2020 as well as the impact from the safe management measures implemented last year. The improved revenue in 1H 2021 was however affected by the discontinued operations of Jurong East store on 8 March 2020. Revenue from investment property correspondingly increased as well as compared to the same period last year where mandatory rental rebates were given to SME tenants in accordance with Government measures in response to the COVID-19 pandemic. However, the recovery in revenue was disrupted by the Phase 2 Heightened Alert measures from 16 May 2021.

Other income

Other income for 1H 2021 was \$4,011,000, a decrease of 56.94% over the corresponding period ("1H 2020"). The decrease in other income was mainly due to less income from finance leases under SFRS(I) 16, lower grant income from the government and lower rental concession income from landlord. These more than offset the new operating lease income from Isetan Scotts.

Other (losses)/gains - net

Other losses for the 1H 2021 was \$50,000, a decrease over the corresponding period ("1H 2020"). The decrease in other losses was mainly due to the decrease in impairment for other investments, at amortised cost.

Changes in inventories of finished goods and purchases of inventories and related costs

Changes in inventories of finished goods for the 1H 2021 was \$341,000, a decrease of 67.18% over the corresponding period ("1H 2020"). The decrease was mainly due to increased sales in 1H 2021 as compared to 1H 2020 where stores were closed from 7 April 2020 to 18 June 2020.

Purchases of inventories and related costs

Purchases of inventories and related costs for the 1H 2021 was \$14,524,000, an increase of 13.38% over the corresponding period ("1H 2020"). The increase was mainly due to stores operating on a full 6 months basis as compared to last year where stores were closed from 7 April 2020 to 18 June 2020 in the financial year ended 31 December 2020.

Employee compensation

Employee compensation for the 1H 2021 was \$7,633,000, an increase of 2.39% over the corresponding period ("1H 2020"). The increase was mainly due to the increase in bonus provision in 1H 2021.

Depreciation expense

Depreciation expense for the 1H 2021 was \$5,833,000, a decrease of 39.21% over the corresponding period ("1H 2020"). The decrease was mainly due to the impairment of right-of-use assets and property, plant and equipment provided in financial year ended 31 December 2020.

Rental expense

Rental expense for the 1H 2021 was \$1,144,000, an increase of 16.97% over the corresponding period ("1H 2020"). The increase was mainly due to increase in gross turnover rent payment.

Service charge expense

Service charge expense for the 1H 2021 was \$3,111,000, an increase of 39.19% over the corresponding period ("1H 2020"). The increase was mainly due to the rental rebates given by landlords in 1H 2020 but not in 1H 2021.

Other expenses

Other expense for the 1H 2021 was \$7,447,000, an increase of 14.98% over the corresponding period ("1H 2020"). The increase was mainly due to the higher cost incurred for sales promotion, credit cards commissions and repair works performed.

Balance Sheet

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

The reduction in right-of-use ("ROU") assets were mainly due to the depreciation charges for six months and de-recognition of ROU to recognise finance lease receivables.

Trade and other payables as at 30 June 2021 decreased by \$9,926,000 compared with 31 December 2020, mainly due to the repayment made to trade creditors.

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

Statement of Cash Flows

There was a decrease in cash and cash equivalents amounting to \$1,853,000 in 1H 2021, compared to a net decrease of \$6,171,000 in 1H 2020. This is mainly attributed to the repayment made to trade creditors offset by cash generated from maturity and early-redemption of our long term other investment.

Net cash used in operating activities of \$525,000 in 1H 2021 as compared to net cash used of \$13,316,000 in 1H 2020 resulted mainly due to increase in profit during the period and lower repayment made to trade creditors.

Net cash generated from investing activities for 1H 2021 was \$8,008,000 compared to net cash of \$15,463,000 generated in 1H 2020 which resulted due to reduction in cash inflows generated from maturity and early-redemption of investments.

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

The retail environment remains challenging for the Company as new clusters of COVID-19 cases continue to emerge. As such, the Company still expects its sales revenue to be negatively impacted over the coming months. The duration and extent of this impact is difficult to predict at this point in time. Nevertheless, recent announcements by the Singapore Government regarding the country's transitioning to a new normal, with COVID-19 being treated as being endemic and travel anticipated to resume by end of the year is something that the Company can look forward.

Meanwhile, the Company will continue to focus on driving operational efficiency across its business, which includes leveraging on its online business to increase its product offerings and customers base as well as increase the channels for our customers to shop with peace of mind and convenience. The Company's stable balance sheet and liquidity position it well to take advantage of any new opportunities that may arise.

With regard to the Company's investment property, it was announced on the 11 Jun 2021, that the Company has appointed Savills (Singapore) Pte Ltd as the marketing agent to assist the Company to assess interest in the possible purchase of the Company's property located at Wisma Atria 435 Orchard Road Singapore 238877 ("Isetan Wisma Atria") and/or commence exploratory discussions with third parties for this purpose.

The lease of our Katong store will expire on 9 March 2022 as the negotiation with our landlord for a further extension of the lease did not yield a positive result. The company has no immediate plan to find a replacement store and will continue to maintain its retailing operations via its remaining stores at Shaw House, Tampines Mall and NEX. The financial effect of the eventual expiry of the lease for the current and next financial year cannot be reasonably estimated as at the date of this announcement.

5. Dividend information

(a) Current Financial Year Reported On

The Company did not propose any interim dividends for the period ended 30 June 2021.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

6. Interested person transactions

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

7. 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.

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 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Koji Oyama
Director

Richard Tan Chuan-Lye
Director

Singapore
13 August 2021