



# **Isetan (Singapore) Limited**

**2024 AGM**

**26 April 2024**

**ADDRESS BY CHAIRMAN OF BOARD**

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In this presentation, all \$ dollar amounts are in Singapore dollars unless otherwise specified.

**1. OUR RETAIL BUSINESS**

**2. OUR INVESTMENT PROPERTY BUSINESS**

**3. MOVING AHEAD**



Isetan Scotts (Flagship Store)



Isetan Tampines



Isetan Serangoon Central



Isetan Wisma Atria (Investment Property)

# **OUR RETAIL BUSINESS**

# OUR RETAIL BUSINESS

## **Covid-19 pandemic declared endemic**

- The Covid-19 pandemic was declared as endemic and all economic activities in Singapore fully resumed in 2023

## **Challenges faced by the Retail Sector**

- Shift of resident spending towards outbound travel
- Strong Singapore currency has prompted more spending overseas
- Consumers' disposal income affected by high interest rate environment that caused higher mortgage servicing burdens
- Against this backdrop, the Company's sales of goods and consignment income in 2023 declined as compared to 2022.
- Our Managing Director will elaborate further on the retail segment's performance in his presentation later.

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# **OUR INVESTMENT PROPERTY BUSINESS**

## **OUR INVESTMENT PROPERTIES AT ISETAN WISMA ATRIA AND KALLANG PUDDING WAREHOUSE**

- Our property segment consisting of our Isetan Wisma Atria and Kallang Pudding Warehouse registered an increase in its revenue in 2023 versus 2022 mainly due to the new operating lease income derived from Isetan Wisma Atria.**
- However, higher operating expenses such as utilities and maintenance resulted in a decrease in the results of the segment in 2023 compared to 2022.**
- Moving forward, the segment may still be affected by higher operating expenses. We will therefore target to keep the premises fully tenanted and revenue stream stable.**
- Our Managing Director will elaborate further on the property segment's performance in his presentation later.**

**MOVING AHEAD**



# **MOVING AHEAD**

## **1. Government's forecast of 2024 GDP growth at 1.0% to 3.0%.**

- The mid-point of the Government's growth forecast is higher than the 1.1% economic growth registered in 2023.
- The retail segment will continue to face headwinds such as the higher GST and inflationary-driven costs in rentals, logistics, labour and energy.
- However, the resilient labour market conditions and expected interest rate cuts later in the year may provide some respite.

## **2. Strategies ahead**

- Continue to monitor the impact of the external factors mentioned above and other emerging trends, and adjust our merchandising, marketing programmes and operating expenses accordingly.
- At the same time, we aim to enhance our businesses with new measures and reform plans.
- We will also explore new avenues of growth besides our existing department store and investment property businesses.

# **MOVING AHEAD (continued)**

## **2. Strategies ahead (continued)**

- We will continue with the prudent approach in terms of our financial investments that we have adopted in the recent years.

We are not deterred by the challenges lying ahead and will strive to turn our retail business around and achieve better results for our property leasing business.

We look forward to all stakeholders' support moving forward.

Thank you.

**Thank you.**