

**ISETAN (SINGAPORE) LIMITED**

Co. Reg. No. 197001177H

**First Quarter Financial Statement and Dividend Announcement for the period ended 31 March 2017****PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

1(a)(i) An income statement and statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Consolidated Income Statement for the financial period ended 31 March 2017**

	<b>Group</b>		
	31.03.2017	31.03.2016	+ / (-)
	S'000	S'000	%
Revenue	70,043	74,276	(5.70)
Other income	2,561	1,426	79.59
Other (losses) and gains	(10)	20	(150.00)
Expenses			
- Changes in inventories of finished goods	282	(87)	(424.14)
- Purchases of inventories and related costs	(49,683)	(54,473)	(8.79)
- Employee compensation	(4,621)	(5,360)	(13.79)
- Depreciation expense	(1,885)	(1,891)	(0.32)
- Rental expense	(10,680)	(11,516)	(7.26)
- Other expenses	(4,274)	(5,595)	(23.61)
Total expenses	<u>(70,861)</u>	<u>(78,922)</u>	(10.21)
Share of profit of an associated company	61	39	56.41
<b>Profit / (loss) before income tax</b>	<b>1,794</b>	<b>(3,161)</b>	<b>(156.75)</b>
Income tax credit	15	-	N.M.
<b>Net profit / (loss) after tax for the financial period</b>	<b><u>1,809</u></b>	<b><u>(3,161)</u></b>	<b>(157.23)</b>
<b>Attributable to :</b>			
Equity holders of the Company	<b><u>1,809</u></b>	<b><u>(3,161)</u></b>	<b>(157.23)</b>

N.M. not meaningful

**Consolidated Statement of Comprehensive Income for the financial period ended 31 March 2017**

	31.03.2017	31.03.2016	+ / (-)
	S'000	S'000	%
Profit / (loss) for the financial period	1,809	(3,161)	(157.23)
<b>Other comprehensive gain</b>			
Items that may be reclassified subsequently to profit or loss:			
Financial assets, available-for-sale			
- Fair value gain	193	82	135.37
Currency translation differences arising from consolidation			
- Loss	(12)	(2)	500.00
<b>Other comprehensive gain, net of tax</b>	<b><u>181</u></b>	<b><u>80</u></b>	<b>126.25</b>
<b>Total comprehensive income / (loss) for the financial period</b>	<b><u>1,990</u></b>	<b><u>(3,081)</u></b>	<b>(164.59)</b>
<b>Total comprehensive income / (loss) attributable to :</b>			
Equity holders of the Company	<b><u>1,990</u></b>	<b><u>(3,081)</u></b>	<b>(164.59)</b>

**Additional Disclosure**

	<b>Group</b>		+ / (-) %
	31.03.2017 \$'000	31.03.2016 \$'000	
Revenue			
- Sale of goods	66,969	73,509	(8.90)
- Rental income	3,074	767	300.78
	<u>70,043</u>	<u>74,276</u>	(5.70)
Other income includes:			
- Dividend income	43	88	(51.14)
- Other rental income	682	648	5.25
- Interest income	675	658	2.52
- Sundry income	1,094	14	7,714.29

(ii) There were no interest on borrowings and extraordinary items during the period and the preceding year.

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

**Balance Sheets as at 31 March 2017**

	<b>Group</b>		<b>Company</b>	
	31.03.2017 \$'000	31.12.2016 \$'000	31.03.2017 \$'000	31.12.2016 \$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	51,355	54,688	39,299	42,660
Trade and other receivables	10,144	12,293	10,143	12,292
Financial assets, held-to-maturity	10,755	11,753	10,755	11,753
Inventories	11,770	11,489	11,770	11,489
Other current assets	930	709	927	709
	<u>84,954</u>	<u>90,932</u>	<u>72,894</u>	<u>78,903</u>
<b>Non-current assets</b>				
Other receivables	222	246	222	246
Financial assets, available-for-sale	3,647	3,455	3,618	3,429
Financial assets, held-to-maturity	44,536	44,534	44,536	44,534
Club memberships	235	235	235	235
Investment in an associated company	173	124	2,598	2,598
Investment in a subsidiary	-	-	5,000	5,000
Rental deposits	7,700	7,692	7,700	7,692
Investment properties	30,953	31,486	30,953	31,486
Property, plant and equipment	46,790	48,045	46,790	48,045
	<u>134,256</u>	<u>135,817</u>	<u>141,652</u>	<u>143,265</u>
<b>Total assets</b>	<u>219,210</u>	<u>226,749</u>	<u>214,546</u>	<u>222,168</u>

**LIABILITIES****Current liabilities**

Trade and other payables	37,604	47,186	37,593	47,177
	<b>37,604</b>	<b>47,186</b>	<b>37,593</b>	<b>47,177</b>

**Non-current liabilities**

Trade and other payables	5,280	5,245	5,280	5,245
Provisions for other liabilities and charges	1,956	1,938	1,956	1,938
	<b>7,236</b>	<b>7,183</b>	<b>7,236</b>	<b>7,183</b>

<b>Total liabilities</b>	<b>44,840</b>	<b>54,369</b>	<b>44,829</b>	<b>54,360</b>
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<b>NET ASSETS</b>	<b>174,370</b>	<b>172,380</b>	<b>169,717</b>	<b>167,808</b>
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**EQUITY**

Share capital	91,710	91,710	91,710	91,710
General reserve	17,000	17,000	17,000	17,000
Fair value reserve	1,471	1,278	1,443	1,255
Currency translation reserve	(215)	(203)	-	-
Other reserves	(140)	(140)	(140)	(140)
Retained earnings	64,544	62,735	59,704	57,983
<b>Total equity</b>	<b>174,370</b>	<b>172,380</b>	<b>169,717</b>	<b>167,808</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.****Amount repayable in one year or less, or on demand**

As at 31.03.17		As at 31.03.16	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

**Amount repayable after one year**

As at 31.03.17		As at 31.03.16	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

**Details of any collateral**

Not applicable.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Consolidated Statement of Cash Flows for the financial period ended 31 March 2017**

	<b>Group</b>	
	<b>31.03.2017</b>	31.03.2016
	<b>\$'000</b>	\$'000
<b>Cash flows from operating activities</b>		
Profit / (loss) before income tax	1,794	(3,161)
Adjustments for:		
Depreciation expense	1,885	1,891
Amortisation of capitalised letting fees	17	-
Property, plant and equipment written off	-	50
Gain on disposal of property, plant and equipment	-	(13)
Loss / (gain) on early redemption of financial assets, held-to-maturity by issuer	10	(7)
Interest income	(675)	(658)
Increase in provisions for other liabilities and charges	18	22
Dividend income	(43)	(88)
Share of profit of an associated company	(61)	(39)
	<b>2,945</b>	<b>(2,003)</b>
Changes in working capital		
Trade and other receivables	2,324	3,044
Inventories	(281)	86
Other assets and rental deposits	(229)	(35)
Trade and other payables	(9,547)	(11,834)
Cash used in operations	<b>(4,788)</b>	<b>(10,742)</b>
Income taxes refunded	15	-
<b>Net cash used in operating activities</b>	<b>(4,773)</b>	<b>(10,742)</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	-	13
Payments for property, plant and equipment and investment property	(114)	(1,249)
Purchases of financial assets, available-for-sale	(1)	(59)
Purchases of financial assets, held-to-maturity	(1,014)	(4,104)
Proceeds from early redemption / maturity of financial assets, held-to-maturity	2,000	258
Payments for non current assets classified as held-for sale	-	(99)
Interest received	502	452
Dividend received	43	88
Repayments from / (loan to) employee	24	(18)
<b>Net cash provided by / (used in) investing activities</b>	<b>1,440</b>	<b>(4,718)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(3,333)</b>	<b>(15,460)</b>
Cash and cash equivalents at beginning of the financial period	<b>54,688</b>	<b>63,328</b>
<b>Cash and cash equivalents at end of the financial period</b>	<b>51,355</b>	<b>47,868</b>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Statement of Changes in Equity for the financial period ended 31 March 2017**

	<u>Share capital</u> \$'000	<u>General reserve</u> \$'000	<u>Fair value reserve</u> \$'000	<u>Currency translation reserve</u> \$'000	<u>Other reserves</u> \$'000	<u>Retained earnings</u> \$'000	<u>Total</u> \$'000
<b>Group</b>							
Balance at 1 January 2017	91,710	17,000	1,278	(203)	(140)	62,735	172,380
Total comprehensive income for the period	-	-	193	(12)	-	1,809	1,990
Balance at 31 March 2017	<u>91,710</u>	<u>17,000</u>	<u>1,471</u>	<u>(215)</u>	<u>(140)</u>	<u>64,544</u>	<u>174,370</u>
Balance at 1 January 2016	91,710	17,000	1,278	(197)	-	62,229	172,020
Total comprehensive income for the period	-	-	82	(2)	-	(3,161)	(3,081)
Balance at 31 March 2016	<u>91,710</u>	<u>17,000</u>	<u>1,360</u>	<u>(199)</u>	<u>-</u>	<u>59,068</u>	<u>168,939</u>
	<u>Share capital</u> \$'000	<u>General reserve</u> \$'000	<u>Fair value reserve</u> \$'000	<u>Currency translation reserve</u> \$'000	<u>Other reserves</u> \$'000	<u>Retained earnings</u> \$'000	<u>Total</u> \$'000
<b>Company</b>							
Balance at 1 January 2017	91,710	17,000	1,255	-	(140)	57,983	167,808
Total comprehensive income for the period	-	-	188	-	-	1,721	1,909
Balance at 31 March 2017	<u>91,710</u>	<u>17,000</u>	<u>1,443</u>	<u>-</u>	<u>(140)</u>	<u>59,704</u>	<u>169,717</u>
Balance at 1 January 2016	91,710	17,000	1,258	-	-	64,736	174,704
Total comprehensive income for the period	-	-	81	-	-	(3,233)	(3,152)
Balance at 31 March 2016	<u>91,710</u>	<u>17,000</u>	<u>1,339</u>	<u>-</u>	<u>-</u>	<u>61,503</u>	<u>171,552</u>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous year reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding year of the immediately preceding financial year.**

Not applicable.

**1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at the end of current financial period ended 31 March 2017	As at the end of financial year ended 31 December 2016
Total number of ordinary shares issued	41,250,000	41,250,000

There were no treasury shares held as at the end of the current financial period reported on and as at the end of the immediately preceding year.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in preparing this financial statement for the current accounting year compared with the most recently audited financial statements for the year ended 31 December 2016.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

**6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<u>Group</u>	
	31.03.2017	31.03.2016
Profit / (loss) per ordinary share for the financial period based on net profit / (loss) attributable to shareholders :-		
(i) Based on weighted average number of ordinary shares in issue (cents)+	4.39	(7.66)
(ii) On a fully diluted basis (cents)++	4.39	(7.66)

+ The profit / (loss) per share are calculated based on the issued ordinary shares of 41,250,000 (31 March 2016: 41,250,000)

++ The fully diluted loss per share are calculated based on the issued ordinary shares of 41,250,000 (31 March 2016: 41,250,000)

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

**(a) current financial period reported on; and**

**(b) immediately preceding financial year.**

	<u>Group</u>		<u>Company</u>	
	31.03.2017	31.12.2016	31.03.2017	31.12.2016
Net asset value per ordinary share based on issued share capital at the end of financial period / year	\$4.23	\$4.18	\$4.11	\$4.07

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial year reported on, including (where applicable) seasonal or cyclical factors; and**

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial year reported on.**

#### **Review of Group Performance**

Group revenue for the period ended 31 March 2017 ("Q1 2017") was \$70.043 million, a decrease of 5.70% over the corresponding period ("Q1 2016"). The decrease in group revenue was due to the lower sale of goods from the retail segment. However, rental revenue from the Isetan Wisma Atria investment property ("investment property") helped to mitigate the situation.

For Q1 2017, the Group managed to turn in a profit after tax of \$1.809 million as compared to a loss after tax of \$3.161 million in Q1 2016. The turnaround was achieved by the better results from the investment property, higher sundry income and efforts put in to rein in operating expenses such as employee compensation, rental expense, sales promotion expense and supplies. For the associated company, the Group recorded a share of profit of \$61,000 in Q1 2017 as compared to \$39,000 in Q1 2016.

As compared to 31 December 2016, cash and cash equivalents decreased mainly due to the settlement of amounts relating to trade and other payables. Under current assets, trade and other receivables decreased mainly due to the settlement by debtors. Financial assets, held-to-maturity ("HTMs") under current assets decreased due to the maturity of certain bonds during Q1 2017. Under current liabilities, trade and other payables decreased due to settlement of amounts owing to trade and other creditors.

Under cash flows from operating activities, the net cash outflow in Q1 2017 was lower than Q1 2016 mainly due to the lesser amount used to settle trade and other payables. Under cash flows from investing activities, the proceeds from the early redemption / maturity of certain HTMs in Q1 2017 contributed to a cash inflow as compared to a cash outflow in Q1 2016 that was caused mainly by payments of property, plant and equipment and purchases of HTMs.

**9. 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.

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

The government has forecast an economic growth of 1.0 to 3.0 percent for 2017. Against this backdrop of tepid economic growth, the Group does not expect significant improvement in consumer sentiment and hence expects the retail sector to remain challenging.

#### **11. Dividend**

**(a) Current Financial Year Reported On**

Any dividend recommended for the current financial period reported on?

**None**

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

**None**

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been declared.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No IPT mandate has been obtained.

**14. Negative confirmation pursuant to Rule 705(5)**

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the first quarter of 2017 financial results to be false or misleading in any material respect.

**15. Confirmation of Directors and Executive Officers' undertakings pursuant to Listing Rule 720(1)**

The Company has procured undertakings from all its directors and executive officers in compliance with Listing Rule 720(1).

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

16. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable.

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

18. A breakdown of sales.

Not applicable.

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

**Total Annual Dividend**

	Latest full year	Previous full year
Ordinary	-	-
Preference	-	-
Total:	-	-

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Nil				Not applicable.

**BY ORDER OF THE BOARD**

Lun Chee Leong  
Company Secretary  
12 May 2017