

ISETAN (SINGAPORE) LIMITED
(Company Registration No. 197001177H)
(Incorporated in the Republic of Singapore)

FURTHER UPDATE ON IMPACT OF COVID-19 PANDEMIC

The Board of Directors (the “**Board**”) of Isetan (Singapore) Limited (the “**Company**”) would like to provide an update on the impact of the COVID-19 pandemic on the Company:

Impact on Company’s operations

In recent weeks, new clusters of COVID-19 cases have emerged in Singapore, with different virus variants possibly driving the infections. The Government has taken swift action and imposed more stringent safe management measures (“SMMs”) which commenced from 16 May 2021 and is scheduled to end on 13 June 2021 [commonly known here as “Phase 2 (Heightened Alert)“]. Our retail operations have so far been impacted by the SMMs which require, amongst other things, lower capacity limits, the scaling back of large events and a continued prohibition of external sales events. Some of our tenants have also been affected as dining-in and personalized services which require masks to be removed, have been barred. Therefore, we are monitoring the situation closely and will continue to place high priority on the health and safety of our customers, staff, and partners of the Isetan community.

Impact on Company’s Financials

The revenue in Quarter 1 of 2021 (“Q1 2021”) for our retail segment was significantly lower than the corresponding period for last year due to the fact that revenue for Quarter 1 of 2020 (“Q1 2020”) included revenue from our Isetan Jurong East store which ceased operations in March 2020. For our property segment, its Q1 2021 revenue was lower than the corresponding period due to the challenges in securing replacement tenants to take up the vacant premises at level 4 of Isetan Wisma Atria and the rental rebates given to our tenants.

The impact of the decrease in the Company’s revenue was, however, offset by further government grants (Jobs Support Scheme till June 2021) and lower depreciation arising from the impairment of property, plant and equipment, and right-of-use assets provided in Q4 2020. As a result, the Profit and Loss of the Company for Q1 2021 was better than Q1 2020.

Since the implementation of Phase 2 (Heightened Alert), we are observing lower customer traffic at our stores and Isetan Wisma Atria as people are heeding the government’s advice to stay at home as much as possible. In response to the negative impact of the SMMs, the government has rolled out enhanced support measures for eligible companies. As the pandemic is still evolving, the situation remains fluid with uncertainties that may have a bearing on the performance of the Company going forward.

Similar to last year, the Company will continue to adopt a prudent approach with its investments. The Company with its current holdings of cash and cash equivalents and other investments at amortized cost, does not foresee difficulties meeting its near-term obligations.

Shareholders and potential investors are reminded to exercise caution when dealing or trading in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants, or other professional advisers, if they are in doubt about the actions that they should take.

By Order of the Board

Lun Chee Leong
Company Secretary

3 June 2021