

STRACO CORPORATION LIMITED
Company Registration No.: 200203482R
(Incorporated in Singapore)

**FIRST QUARTER ENDED 31 MARCH 2010 UNAUDITED FINANCIAL STATEMENT AND
DIVIDEND ANNOUNCEMENT**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
HALF-YEAR AND FULL YEAR RESULTS**

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

INCOME STATEMENT

	1Q ended		
	31/03/2010	31/03/2009	Change
	S\$'000	S\$'000	%
Sales	6,579	7,154	(8)
Other operating income	384	394	(3)
Operating expenses	(3,790)	(3,967)	(4)
Administrative expenses	(1,591)	(594)	168
Finance costs	-	5	n.m.
Profit before tax	1,582	2,992	(47)
Income tax expense	(511)	(747)	(32)
Profit for the year	1,071	2,245	(52)
Profit attributable to:			
Equity holders of the parent	1,016	2,151	(53)
Minority interests	55	94	(41)
Profit for the year	1,071	2,245	(52)

STATEMENT OF COMPREHENSIVE INCOME

	1Q ended		
	31/03/2010	31/03/2009	Change
	S\$'000	S\$'000	%
Profit for the year	1,071	2,245	(52)
Other comprehensive income			
Translation differences relating to financial statements of foreign subsidiaries	(191)	3,523	n.m.
Exchange differences on monetary items forming part of net investment in a foreign operation	(22)	417	n.m.
Other comprehensive income for the year, net of tax	(213)	3,940	n.m.
Total comprehensive income for the year	858	6,185	(86)
Total comprehensive income attributable to:			
Equity holders of the parent	810	5,955	(86)
Minority interests	48	230	(79)
Total comprehensive income for the year	858	6,185	(86)

n.m.: not meaningful

The profit before tax was arrived at after charging or (crediting) the following:-

	1Q ended	
	31/03/2010	31/03/2009
	S\$'000	S\$'000
Depreciation of property, plant and equipment	1,250	1,377
Amortisation of intangible assets	-	40
Interest income	(65)	(59)
Interest expense	-	(5)
Foreign exchange loss/(gain)	75	(977)
Loss on disposal of property, plant and equipment	-	15
Allowance for doubtful debts	-	10

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

BALANCE SHEETS

	Group		Company	
	As at	As at	As at	As at
	31/03/2010	31/12/2009	31/03/2010	31/12/2009
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	59,788	61,129	2,706	2,738
Interest in subsidiaries	-	-	55,705	55,723
Long-term loans to subsidiaries	-	-	4,710	4,711
Intangible assets	1,419	1,419	-	-
	61,207	62,548	63,121	63,172
Current assets				
Inventories	743	773	-	-
Trade and other receivables	615	659	50	-
Due from subsidiaries	-	-	18,185	13,364
Other current assets	288	146	28	11
Cash and cash equivalents	46,740	45,081	5,517	6,257
	48,386	46,659	23,780	19,632
Total assets	109,593	109,207	86,901	82,804
Equity attributable to equity holders of the Parent				
Share capital	76,985	76,985	76,985	76,985
Reserves	24,692	23,882	9,268	5,249
	101,677	100,867	86,253	82,234
Minority interest	2,458	2,640	-	-
Total equity	104,135	103,507	86,253	82,234
Non-current liabilities				
Deferred income	83	86	-	-
Deferred tax liabilities	1,122	1,054	-	-
	1,205	1,140	-	-
Current liabilities				
Trade and other payables	3,769	4,044	351	328
Due to subsidiaries	-	-	297	242
Current tax payable	484	516	-	-
	4,253	4,560	648	570
Total liabilities	5,458	5,700	648	570
Total equity and liabilities	109,593	109,207	86,901	82,804

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

	As at 31/03/2010		As at 31/12/2009	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount payable in one year or less, or on demand	-	-	-	-
Amount payable after one year	-	-	-	-

Details of any collateral

Not applicable

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

CONSOLIDATED STATEMENTS OF CASH FLOWS		Q1 ended 31/03/2010	Q1 ended 31/03/2009
		S\$'000	S\$'000
Operating activities			
Profit before taxation		1,582	2,992
Adjustments for:			
Depreciation		1,250	1,377
Amortisation		-	40
Loss on disposal of property, plant and equipment		-	15
Government grant utilised		(3)	(3)
Impairment loss on other receivables		-	10
Interest income		(65)	(59)
Interest expense		-	(5)
Exchange loss/(gain)		70	(1,092)
Operating cash flow before working capital change		2,834	3,275
Changes in operating assets and liabilities			
Trade and other receivables		(98)	(106)
Inventories		30	(17)
Trade and other payables		(506)	(617)
Cash generated from operations		2,260	2,535
Income tax paid		(471)	(287)
Cash flows from operating activities		1,789	2,248
Investing activities			
Acquisition of property, plant and equipment		(78)	(324)
Proceeds from disposal of property, plant and equipment		-	1
Interest received		65	59
Cash flows from investing activities		(13)	(264)
Net increase in cash and cash equivalents		1,776	1,984
Cash and cash equivalents at the beginning of the financial period		45,081	34,331
Effects of exchange rate fluctuations		(117)	1,523
Cash and cash equivalents at the end of the financial period		46,740	37,838

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.

(a) Group

(i)

	Interest of shareholders of the Company							
	Share capital	Share option reserves	General reserves	Foreign currency translation reserves	Retained earnings	Total	Minority Interest	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 January 2010	76,985	573	3,099	(713)	20,923	100,867	2,640	103,507
Changes in equity for the period:								
Transfer to general reserve	-	-	964	-	(964)	-	-	-
Dividend declared by subsidiary	-	-	-	-	-	-	(230)	(230)
Total comprehensive income/(loss) for the period	-	-	-	(206)	1,016	810	48	858
As at 31 March 2010	76,985	573	4,063	(919)	20,975	101,677	2,458	104,135

(ii)

	Interest of shareholders of the Company							
	Share capital	Share option reserves	General reserves	Foreign currency translation reserves	Retained earnings	Total	Minority Interest	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 January 2009	76,985	573	1,973	932	16,469	96,932	2,460	99,392
Changes in equity for the period:								
Transfer to general reserve	-	-	889	-	(889)	-	-	-
Dividend declared by subsidiary	-	-	-	-	-	-	(246)	(246)
Total comprehensive income for the period	-	-	-	3,804	2,151	5,955	230	6,185
As at 31 March 2009	76,985	573	2,862	4,736	17,731	102,887	2,444	105,331

(b) Company

(i)

	Share capital	Share option reserves	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2010	76,985	573	4,676	82,234
Total comprehensive income for the period	-	-	4,019	4,019
Balance as at 31 March 2010	76,985	573	8,695	86,253

(ii)

	Share capital	Share option reserves	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2009	76,985	573	4,949	82,507
Total comprehensive income for the period	-	-	5,325	5,325
Balance as at 31 March 2009	76,985	573	10,274	87,832

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 for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There is no change in the company's share capital since 31 December 2009 to the date of the current reporting period.

No new share options were issued during the period. As at 31 March 2010, options to subscribe for 5,080,000 ordinary shares remain outstanding.

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 31 March 2010 and 31 December 2009, the company's issued and paid-up capital comprised 868,929,580 ordinary shares.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

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

The financial statements have not been audited nor reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a 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 used in the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31 December 2009.

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.

An assessment has been made of the Amendments and Interpretations to the Singapore Financial Reporting Standards (“FRSs”) effective from 1 January 2010 and it is not expected to have any significant impact on the Group’s financial statements.

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

Earnings per share	Q1 ended	
	31/03/2010	31/03/2009
(a) Based on the number of ordinary shares in issue (cents)	0.12	0.25
(b) On fully diluted basis (cents)	0.12	0.25

The calculations of basic earnings per share for the 1Q ended 31 March 2010 and their comparatives are based on the net profits attributable to shareholders for the respective periods divided by the share capital of 868,929,580 shares in issue.

Diluted earnings per share is the same as basic earnings per share because the Company’s outstanding share options do not have a dilutive effect.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31/03/2010	31/12/2009	31/03/2010	31/12/2009
Net asset value per ordinary share (cents)	11.70	11.61	9.93	9.46

Net asset value per ordinary share was calculated based on the issued share capital of 868,929,580 shares as at 31 March 2010 and 31 December 2009.

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 period 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 period reported on.

Revenue

In the first quarter of FY2010, the Group achieved sales of \$6.58 million, a decline of 8% over the same period in FY2009. The decline was mainly attributable to decrease in visitor numbers from the group tour segment to our attractions. Our Group’s flagship, Shanghai Ocean Aquarium (“SOA”), registered a 1.5% decrease in revenue on an 8% decline in visitor arrivals compared to 1Q2009. The lower percentage drop in revenue is attributable to better visitor mix and the FIT price hike since 24 February 2010.

Overall visitation to our Group's major attractions was 335,000 visitors, down 10% compared to 1Q2009. The upward price adjustment across all our attractions and the higher proportion of the high-yield walk-in visitors helped softened the decline in revenue.

Operational Results

Expenses for 1Q2010 increased \$0.82 million in total, or 18% over 1Q2009, mainly due to increase in administrative expenses.

Operating expenses decreased by \$0.18 million, or 4%, mainly due to decrease in variable expenses in line with the lower revenue, as well as decrease in depreciation and amortisation expenses as certain fixed assets and intangible asset relating to the production of the stage show "Paris Plumes" by our subsidiary, Straco Creation Pte Ltd have been fully impaired in last year.

Administrative expenses for 1Q2010 increased \$1.0 million; or 168% over 1Q2009, mainly due to the exchange loss of \$75,000 recognised in the current period, as opposed to an exchange gain of \$0.98 million recognised in 1Q2009. RMB currency weakened against SGD in the current quarter, while in 1Q2009, RMB currency strengthened against SGD.

Profit before tax was \$1.58 million for the quarter, compared to a profit before tax of \$2.99 million for 1Q2009, a decrease of 47%. Taking away the effects of foreign exchange gain or loss in both periods, profit before tax would have been \$1.66 million, compared to \$2.01 million in 1Q2009, a decrease of 18%, mainly due to the decrease in revenue.

Balance Sheet items

Other current assets increased 97% from \$146,000 in 31 December 2009 to \$288,000 in 31 March 2010 mainly due to increase in deposits and prepayments.

Cash flow Statement

The Group generated a cash inflow from operating activities, excluding working capital changes, amounting to \$2.8 million in 1Q2010, compared to \$3.3 million in 1Q2009. As at 31 March 2010, the Group's cash and cash equivalent balance amounted to \$46.7 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group did not previously disclose to shareholders any forecast or prospect statement with regard to the current quarter under review.

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 National Bureau of Statistics reported that China's gross domestic products grew 11.9% in the first quarter of 2010, the fastest pace of expansion since 2007. While the growth rate was flattered by a low base of comparison a year earlier, it also highlighted overheating risks that may prompt the Chinese government to tighten monetary policy and raise interest rate.

At the Group level, the Company will continue to monitor the sales mix and contributions from the various segments and devise appropriate and targeted marketing initiatives and activities for each.

Other than the above, the Company is not aware of any impending factors or events that may affect the Group in the next 12 months.

11. Dividend

(a) Current Financial Period Reported On

Any interim (final) dividend declared (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/recommendeded, a statement to that effect.

No dividend has been declared/recommendeded for the current financial period.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. 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.

14. 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.

15. A breakdown of sales.

Not applicable.

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

Not applicable.

17. Interested Person Transactions

Not applicable.

18. Negative Assurance Confirmation On First Quarter Financial Results Pursuant To Rule 705(4) Of The Listing Manual

To the best of our knowledge and belief, nothing has come to the attention of the Directors which may render the 1Q2010 financial results to be false or misleading in all material respect.

On behalf of the Board

Wu Hsioh Kwang
Chairman

Choong Chow Siong
Director

BY ORDER OF THE BOARD,

Lotus Isabella Lim Mei Hua
Company Secretary
11 May 2010