

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

**FIRST QUARTER ENDED 31 MARCH 2016 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 and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**INCOME STATEMENT**

	<b>1Q ended</b>		
	<b>31/03/2016</b>	<b>31/03/2015</b>	<b>Change</b>
	S\$'000	S\$'000	%
Revenue	26,427	25,154	5.1
Other income	1,317	827	59.3
Less:			
Depreciation and amortisation expense	(3,158)	(3,144)	0.4
Sales and marketing expenses	(964)	(627)	53.7
Exchange losses	(126)	(231)	(45.5)
Operating lease expense	(1,495)	(1,421)	5.2
Property and other taxes	(454)	(374)	21.4
Repair and maintenance expenses	(1,125)	(1,209)	(6.9)
Staff cost	(5,233)	(3,549)	47.4
Utilities expense	(718)	(867)	(17.2)
Other operating expenses	(1,080)	(910)	18.7
Other administrative expenses	(760)	(795)	(4.4)
<b>Operating profit</b>	<b>12,631</b>	<b>12,854</b>	<b>(1.7)</b>
Finance costs	(471)	(440)	7.0
<b>Profit before income tax</b>	<b>12,160</b>	<b>12,414</b>	<b>(2.0)</b>
Tax expense	(3,288)	(3,229)	1.8
<b>Profit for the period</b>	<b>8,872</b>	<b>9,185</b>	<b>(3.4)</b>
<b>Profit attributable to:</b>			
Owners of the Company	8,335	8,683	(4.0)
Non-controlling interests	537	502	7.0
<b>Profit for the period</b>	<b>8,872</b>	<b>9,185</b>	<b>(3.4)</b>

## STATEMENT OF COMPREHENSIVE INCOME

	1Q ended		
	31/03/2016	31/03/2015	Change
	S\$'000	S\$'000	%
<b>Profit for the period</b>	8,872	9,185	(3.4)
<b>Other comprehensive income/ (loss) for the period, net of tax</b>			
Translation differences relating to financial statements of foreign subsidiaries	(6,692)	5,806	<i>n.m.</i>
<b>Other comprehensive income/ (loss) for the period, net of tax</b>	(6,692)	5,806	<i>n.m.</i>
<b>Total comprehensive income for the period</b>	2,180	14,991	(85.5)
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	1,892	14,282	(86.8)
Non-controlling interests	288	709	(59.4)
<b>Total comprehensive income for the period</b>	2,180	14,991	(85.5)

n.m. – not meaningful

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

	1Q ended	
	31/03/2016	31/03/2015
	S\$'000	S\$'000
Depreciation of property, plant and equipment	2,652	2,586
Depreciation of investment property	354	352
Amortisation of intangible assets	152	206
Interest income	(891)	(436)
Interest expense	471	440
Foreign exchange losses	126	231
Loss on disposal of property, plant and equipment	4	12
Government grant	(11)	(18)

## Notes:

- Interest income is mainly from fixed deposits placed with financial institutions.
- Interest expense is mainly attributable to the long-term bank borrowing for the purpose of acquiring the assets of Singapore Flyer.
- Foreign exchange losses arise mainly due to the movement of Renminbi against Singapore Dollars.

**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.**

	Group		Company	
	As at 31/03/2016	As at 31/12/2015	As at 31/03/2016	As at 31/12/2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	132,045	134,617	2,200	2,222
Investment property	48,505	48,859	-	-
Investments in subsidiaries	-	-	102,220	102,220
Intangible assets	3,655	3,807	-	-
	184,205	187,283	104,420	104,442
<b>Current assets</b>				
Inventories	2,253	2,386	-	-
Trade and other receivables	5,504	7,100	-	-
Loans and receivables from subsidiaries	-	-	1,451	2,577
Other current assets	1,812	1,710	50	28
Fixed deposits pledged	1,000	1,000	-	-
Cash and cash equivalents	139,887	135,525	8,589	7,957
	150,456	147,721	10,090	10,562
<b>Total assets</b>	<b>334,661</b>	<b>335,004</b>	<b>114,510</b>	<b>115,004</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	76,985	76,985	76,985	76,985
Reserves	18,170	23,537	637	(438)
Retained earnings	129,870	121,535	35,898	36,829
	225,025	222,057	113,520	113,376
<b>Non-controlling interests</b>	9,712	9,424	-	-
<b>Total equity</b>	<b>234,737</b>	<b>231,481</b>	<b>113,520</b>	<b>113,376</b>
<b>Non-current liabilities</b>				
Borrowings	58,900	61,900	-	-
Deferred income	70	85	-	-
Deferred tax liabilities	16,553	16,209	-	-
Provision for reinstatement cost	1,213	1,213	-	-
	76,736	79,407	-	-
<b>Current liabilities</b>				
Trade and other payables	8,299	9,898	460	1,078
Amounts due to subsidiaries	-	-	530	550
Current tax liabilities	2,889	2,218	-	-
Current borrowings	12,000	12,000	-	-
	23,188	24,116	990	1,628
<b>Total liabilities</b>	<b>99,924</b>	<b>103,523</b>	<b>990</b>	<b>1,628</b>
<b>Total equity and liabilities</b>	<b>334,661</b>	<b>335,004</b>	<b>114,510</b>	<b>115,004</b>

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

	As at 31/03/2016		As at 31/12/2015	
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Amount payable in one year or less, or on demand	12,000,000	-	12,000,000	-
Amount payable after one year	56,000,000	2,900,000	59,000,000	2,900,000

**Details of any collateral**

The borrowings are secured by fixed and floating charges over certain assets of certain subsidiaries as well as corporate guarantee from the Company.

**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				Q1 ended 31/03/2016	Q1 ended 31/03/2015
				S\$'000	S\$'000
<b>Cash flows from operating activities</b>					
Profit before income tax				12,160	12,414
Adjustments for:					
Amortisation of intangible assets				152	206
Depreciation of property, plant and equipment				2,652	2,586
Depreciation of investment property				354	352
Equity-settled share-based payment transactions				483	435
Loss on disposal of property, plant and equipment				4	12
Government grant utilised				(11)	(18)
Interest income				(891)	(436)
Interest expense				471	440
Exchange losses				106	225
Operating profit before working capital changes				15,480	16,216
Changes in working capital:					
Trade and other receivables				1,243	(299)
Inventories				76	622
Trade and other payables				(1,383)	(2,825)
Cash generated from operating activities				15,416	13,714
Income taxes paid				(2,174)	(2,717)
Net cash from operating activities				13,242	10,997
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment				(1,869)	(971)
Interest received				867	158
Net cash used in investing activities				(1,002)	(813)
<b>Cash flows from financing activities</b>					
Repurchase of own shares				(193)	-
Proceeds from exercise of share options				786	-
Repayment of borrowings				(3,000)	(3,000)
Interest paid				(471)	(355)
Net cash used in financing activities				(2,878)	(3,355)
<b>Net increase in cash and cash equivalents</b>				9,362	6,829
Cash and cash equivalents at beginning of the period				135,525	94,417
Effects of exchange rate fluctuations				(5,000)	4,242
<b>Cash and cash equivalents at end of the period</b>				139,887	105,488

**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)

	Share capital	Treasury shares	Capital reserve	Share option reserve	General reserve	Foreign currency translation reserve	Retained earnings	Total attributable to owners of the Company	Non-controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 1 January 2016</b>	76,985	(5,823)	(69)	5,453	16,236	7,740	121,535	222,057	9,424	231,481
Changes in equity for the period:										
Purchase of own shares	-	(193)	-	-	-	-	-	(193)	-	(193)
Share-based payment transactions	-	-	-	483	-	-	-	483	-	483
Treasury shares reissued	-	946	(160)	-	-	-	-	786	-	786
Total comprehensive income for the period	-	-	-	-	-	(6,443)	8,335	1,892	288	2,180
<b>At 31 March 2016</b>	<b>76,985</b>	<b>(5,070)</b>	<b>(229)</b>	<b>5,936</b>	<b>16,236</b>	<b>1,297</b>	<b>129,870</b>	<b>225,025</b>	<b>9,712</b>	<b>234,737</b>

(ii)

	Share capital	Treasury shares	Capital reserve	Share option reserve	General reserve	Foreign currency translation reserve	Retained earnings	Total attributable to owners of the Company	Non-controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 1 January 2015</b>	76,985	(4,710)	(267)	3,586	12,282	5,117	93,649	186,642	7,736	194,378
Changes in equity for the period:										
Share-based payment transactions	-	-	-	435	-	-	-	435	-	435
Treasury shares reissued	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	5,599	8,683	14,282	709	14,991
<b>At 31 March 2015</b>	<b>76,985</b>	<b>(4,710)</b>	<b>(267)</b>	<b>4,021</b>	<b>12,282</b>	<b>10,716</b>	<b>102,332</b>	<b>201,359</b>	<b>8,445</b>	<b>209,804</b>

**(b) Company**

(i)

	Share capital	Treasury shares	Capital reserve	Share option reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 1 January 2016</b>	76,985	(5,823)	(69)	5,454	36,829	113,376
Purchase of own shares	-	(193)	-	-	-	(193)
Share-based payment transactions	-	-	-	482	-	482
Treasury shares re-issued	-	946	(160)	-	-	786
Total comprehensive income/ (loss) for the period	-	-	-	-	(931)	(931)
<b>At 31 March 2016</b>	<b>76,985</b>	<b>(5,070)</b>	<b>(229)</b>	<b>5,936</b>	<b>35,898</b>	<b>113,520</b>

(ii)

	Share capital	Treasury shares	Capital reserve	Share option reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 1 January 2015</b>	76,985	(4,710)	(267)	3,586	25,491	101,085
Share-based payment transactions	-	-	-	435	-	435
Total comprehensive income/ (loss) for the period	-	-	-	-	(1,432)	(1,432)
<b>At 31 March 2015</b>	<b>76,985</b>	<b>(4,710)</b>	<b>(267)</b>	<b>4,021</b>	<b>24,059</b>	<b>100,088</b>

**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.**

Pursuant to the Share Buy-back Mandate approved by shareholders, the Company purchased a total of 260,100 shares by way of on-market purchase for a total consideration of \$193,000 (including transaction costs) in 1Q2016. These shares purchased were made out of the Company's capital and held as treasury shares.

During the first quarter ended 31 March 2016, 2,160,000 share options were exercised from the options that were granted in 2007, 2011, 2012, 2013, and 2014; resulting in 2,160,000 treasury shares being reissued.

As at 31 March 2016, options to subscribe for 17,498,000 (31 March 2015: 26,850,000) ordinary shares remain outstanding.

The Company's issued and fully paid up shares as at 31 March 2016 comprised 857,539,780 (31 March 2015: 847,459,580) ordinary shares and 11,389,800 (31 March 2015: 21,470,000) treasury shares.

**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 31/03/2016	As at 31/12/2015
Total number of issued shares	868,929,580	868,929,580
Less: Treasury shares	(11,389,800)	(13,289,700)
Total number of issued shares excluding treasury shares	857,539,780	855,639,880

**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.**

<b>Treasury shares</b>	<b>No. of shares</b>	<b>S\$'000</b>
Balance as at 31/12/2015	13,289,700	5,823
No. of shares purchased	260,100	193
No. of shares transferred on exercise of share option	(2,160,000)	(946)
Balance as at 31/03/2016	11,389,800	5,070

**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 2015.

**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 2016 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.**

<b>Earnings per share</b>	<b>Q1 ended</b>	
	<b>31/03/2016</b>	<b>31/03/2015</b>
(a) Based on the number of ordinary shares in issue (cents)	0.97	1.02
(b) On fully diluted basis (cents)	0.95	1.01

The calculation of basic earnings per share for 1Q ended 31 March 2016 is based on the net profits attributable to shareholders for the 1Q ended 31 March 2016 divided by the weighted average number of ordinary shares outstanding of 856,982,062.

The calculation of basic earnings per share for 1Q ended 31 March 2015 is based on the net profits attributable to shareholders for the 1Q ended 31 March 2015 divided by the weighted average number of ordinary shares outstanding of 847,459,580.



The calculation of diluted earnings per share for 1Q ended 31 March 2016 is based on the net profits attributable to shareholders for the 1Q ended 31 March 2016 divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 873,155,018.

The calculation of diluted earnings per share for 1Q ended 31 March 2015 is based on the net profits attributable to shareholders for the 1Q ended 31 March 2015 divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 861,209,205 respectively.

- 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	
	31/03/2016	31/12/2015	31/03/2016	31/12/2015
Net asset value per ordinary share (cents) based on number of issued shares excluding treasury shares at the end of:	26.24	25.95	13.24	13.25

Net asset value per ordinary share was calculated based on 857,539,780 ordinary shares issued (excluding treasury shares) as at 31 March 2016 and 855,639,880 ordinary shares issued (excluding treasury shares) as at 31 December 2015.

- 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 FY2016, the Group achieved sales of \$26.43 million, an increase of 5.1% over the same period in FY2015, mainly attributable to higher revenue contributed by the Singapore Flyer, Shanghai Ocean Aquarium ("SOA"), and Lixing Cable Car ("LCC"), partially offset by lower revenue from Underwater World Xiamen ("UWX").

Overall visitation to all our attractions was 991,000 visitors for the quarter, an increase of 5.1% compared to 1Q2015.

### Operational Results

Other income for 1Q2016 increased \$0.49 million, or 59.3% over 1Q2015, mainly attributable to higher interest income in the current period.

Total Expenses (excluding finance cost) for 1Q2016 increased \$1.99 million, or 15.1% over 4Q2015, mainly attributable to the higher staff cost arising from more headcount compared to 1Q2015, as well as new hires for the newly opened Chinese restaurant at Singapore Flyer; sales tax on ticket revenue paid by SOA in the current quarter in accordance with the

requirement of the tax bureau which took effect in April 2015, and operating expenses of the Chinese restaurant. The sales tax is subject to a refund if a waiver is granted during the year.

Profit before tax was \$12.16 million for the current quarter, 2% lower than the profit before tax of \$12.41 million for 1Q2015.

### **Balance Sheet items**

Trade and other receivables decreased 22.5% from \$7.1 million at 31 December 2015 to \$5.5 million at 31 March 2016 mainly due to the refund of sales tax paid on ticket revenue received by SOA upon the waiver being granted for 2015.

Reserves decreased from \$23.54 million at 31 December 2015 to \$18.17 million at 31 March 2016, due to the translation loss of \$6.44 million arising from the weaker RMB currency against SGD at the end of the period compared to the end of last year and loss on treasury shares reissued of \$0.16 million; partially offset by increase in share option reserves of \$0.48 million during the period arising from share options granted in May 2015 as well as the net decrease in treasury shares from share buyback of \$0.19 million and treasury shares reissued of \$0.95 million.

Deferred income decreased 17.6% from \$85,000 at 31 December 2015 to \$70,000 at 31 March 2016, mainly due to the periodic recognition of deferred income to profit & loss in the current period.

Trade and other payables decreased 16.2% from \$9.9 million at 31 December 2015 to \$8.3 million at 31 March 2016, mainly due to decrease in trade payables, as well as the payment of 2015 performance bonus which was accrued in last year.

Current tax liabilities increased 30.3% from \$2.22 million at 31 December 2015 to \$2.89 million at 31 March 2016, mainly due to the provision of income taxes 1Q2016 profits of SOA, UWX, LCC, and SLPL; partially offset by the payment of 4Q2015 income taxes by SOA, UWX, and LCC in the current period.

### **Cash flow Statement**

The Group generated net cash from operating activities amounting to \$13.24 million for 1Q2016. As at 31 March 2016, the Group's cash and cash equivalent balance amounted to \$139.89 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 of China reported that China's gross domestic product ("GDP") grew 6.7% in the first quarter of 2016, the slowest quarterly growth in seven years, but in line with its target range of 6.5% to 7% for the year.

On the tourism sector, it was reported that China will invest 20% more in its tourism industry this year, compared to 2015, as tourism is playing an increasingly important role in the China economy, accounting for about 10.8% of total GDP growth and 10.2% of national employment in 2015.

In Singapore, it was reported that tourist arrival increased 12.3% year-on-year in January and February this year, according to preliminary estimates by Singapore Tourism Board ("STB"). For 2016 as a whole, STB projected a 0-3% increase in visitor arrivals and 0-2% growth in tourism receipts, amidst global uncertainties, competition from regional tourist destinations and leaner corporate budgets.

## **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/recommended, a statement to that effect.**

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

## **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). (Not required for announcement on full year results).**

To the best of our knowledge and belief, nothing has come to the attention of the Directors which may render the 1Q2016 financial results to be false or misleading in any material aspect.

On behalf of the Board

Wu Hsioh Kwang  
Chairman

Lim Song Joo  
Director

**15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

**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.**

Not applicable.

**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.**

Not applicable.

BY ORDER OF THE BOARD,

Lotus Isabella Lim Mei Hua  
Company Secretary  
10 May 2016