

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

**THIRD QUARTER ENDED 30 SEPTEMBER 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

	3Q ended			9 Months ended		
	30/09/2016	30/09/2015	Change	30/09/2016	30/09/2015	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	47,630	49,292	(3.4)	101,920	103,836	(1.8)
Other income	1,641	1,698	(3.4)	4,232	3,795	11.5
Less:						
Depreciation and amortisation expense	(3,182)	(3,240)	(1.8)	(9,524)	(9,551)	(0.3)
Sales and marketing expenses	151	(349)	(143.3)	(1,265)	(2,029)	(37.7)
Exchange (losses)/ gains	139	68	104.4	(253)	136	n.m.
Operating lease expense	(2,470)	(2,546)	(3.0)	(5,501)	(5,588)	(1.6)
Property and other taxes	(436)	(450)	(3.1)	(1,337)	(1,251)	6.9
Repair and maintenance expenses	(1,046)	(1,253)	(16.5)	(3,130)	(3,668)	(14.7)
Staff cost	(5,539)	(5,099)	8.6	(16,007)	(13,244)	20.9
Utilities expense	(892)	(1,020)	(12.5)	(2,334)	(2,730)	(14.5)
Other operating expenses	(1,749)	(1,258)	39.0	(3,938)	(3,128)	25.9
Other administrative expenses	(791)	(902)	(12.3)	(2,352)	(2,536)	(7.3)
Operating profit	33,456	34,941	(4.3)	60,511	64,042	(5.5)
Finance costs	(327)	(435)	(24.8)	(1,228)	(1,330)	(7.7)
Profit before income tax	33,129	34,506	(4.0)	59,283	62,712	(5.5)
Tax expense	(9,126)	(9,603)	(5.0)	(16,637)	(17,556)	(5.2)
Profit for the period	24,003	24,903	(3.6)	42,646	45,156	(5.6)
Profit attributable to:						
Owners of the Company	22,743	23,595	(3.6)	40,324	42,739	(5.7)
Non-controlling interests	1,260	1,308	(3.7)	2,322	2,417	(3.9)
Profit for the period	24,003	24,903	(3.6)	42,646	45,156	(5.6)

STATEMENT OF COMPREHENSIVE INCOME

	3Q ended			9 Months ended		
	30/09/2016	30/09/2015	Change	30/09/2016	30/09/2015	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period	24,003	24,903	(3.6)	42,646	45,156	(5.6)
Other comprehensive income/ (loss) for the period, net of tax						
Translation differences relating to financial statements of foreign subsidiaries	1,046	4,627	(77.4)	(9,501)	7,129	n.m.
Other comprehensive income/ (loss) for the period, net of tax	1,046	4,627	(77.4)	(9,501)	7,129	n.m.
Total comprehensive income for the period	25,049	29,530	(15.2)	33,145	52,285	(36.6)
Total comprehensive income attributable to:						
Owners of the Company	23,755	28,050	(15.3)	31,172	49,598	(37.2)
Non-controlling interests	1,294	1,480	(12.6)	1,973	2,687	(26.6)
Total comprehensive income for the period	25,049	29,530	(15.2)	33,145	52,285	(36.6)

n.m. – not meaningful

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

	3Q ended		9 Months ended	
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment	2,675	2,682	8,004	7,877
Depreciation of investment property	354	352	1,062	1,056
Amortisation of intangible assets	153	206	458	617
Interest income	(772)	(960)	(2,477)	(2,212)
Interest expense	327	435	1,228	1,330
Foreign exchange losses/ (gains)	(139)	(68)	253	(136)
Loss on disposal of property, plant and equipment	1	33	11	51
Government grant	(23)	(18)	(53)	(52)

Notes:

1. Interest income is mainly from fixed deposits placed with financial institutions.
2. Interest expense is mainly attributable to the long-term bank borrowing for the purpose of acquiring the assets of Singapore Flyer.
3. Foreign exchange losses/ (gains) 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	As at	As at	As at
	30/09/2016	31/12/2015	30/09/2016	31/12/2015
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	126,759	134,617	2,156	2,222
Investment property	47,797	48,859	-	-
Investments in subsidiaries	-	-	102,220	102,220
Intangible assets	3,350	3,807	-	-
	177,906	187,283	104,376	104,442
Current assets				
Inventories	2,254	2,386	-	-
Trade and other receivables	3,419	7,100	-	-
Loans and receivables from subsidiaries	-	-	510	2,577
Other current assets	1,390	1,710	42	28
Fixed deposits pledged	1,000	1,000	-	-
Cash and cash equivalents	159,621	135,525	16,234	7,957
	167,684	147,721	16,786	10,562
Total assets	345,590	335,004	121,162	115,004
Equity attributable to owners of the Company				
Share capital	76,985	76,985	76,985	76,985
Reserves	16,231	23,537	1,407	(438)
Retained earnings	140,158	121,535	41,636	36,829
	233,374	222,057	120,028	113,376
Non-controlling interests	9,997	9,424	-	-
Total equity	243,371	231,481	120,028	113,376
Non-current liabilities				
Borrowings	52,900	61,900	-	-
Deferred income	278	85	-	-
Deferred tax liabilities	17,590	16,209	-	-
Provision for reinstatement cost	1,213	1,213	-	-
	71,981	79,407	-	-
Current liabilities				
Trade and other payables	10,098	9,898	614	1,078
Amounts due to subsidiaries	-	-	520	550
Current tax liabilities	8,140	2,218	-	-
Current borrowings	12,000	12,000	-	-
	30,238	24,116	1,134	1,628
Total liabilities	102,219	103,523	1,134	1,628
Total equity and liabilities	345,590	335,004	121,162	115,004

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

	As at 30/09/2016		As at 31/12/2015	
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
	S\$	S\$	S\$	S\$
Amount payable in one year or less, or on demand	12,000,000	-	12,000,000	-
Amount payable after one year	50,000,000	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 a subsidiary 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				Q3 ended	Q3 ended
				30/09/2016	30/09/2015
				S\$'000	S\$'000
Cash flows from operating activities					
Profit before income tax				33,129	34,506
Adjustments for:					
Amortisation of intangible assets				153	206
Depreciation of property, plant and equipment				2,675	2,682
Depreciation of investment property				354	352
Equity-settled share-based payment transactions				369	483
Loss on disposal of property, plant and equipment				1	33
Government grant utilised				(24)	(18)
Interest income				(772)	(960)
Interest expense				327	435
Exchange losses/ (gains)				75	(80)
Operating profit before working capital changes				36,287	37,639
Changes in working capital:					
Trade and other receivables				(208)	(1,617)
Inventories				(122)	(55)
Trade and other payables				2,042	2,484
Cash generated from operating activities				37,999	38,451
Income taxes paid				(3,029)	(3,686)
Net cash from operating activities				34,970	34,765
Cash flows from investing activities					
Purchase of property, plant and equipment				(329)	(517)
Proceeds from disposal of property, plant and equipment				-	2
Interest received				3,329	320
Net cash from/ (used in) investing activities				3,000	(195)
Cash flows from financing activities					
Repurchase of own shares				(206)	(2,797)
Proceeds from exercise of share options				-	271
Repayment of borrowings				(3,000)	(3,000)
Interest paid				(331)	(428)
Net cash used in financing activities				(3,537)	(5,954)
Net increase in cash and cash equivalents				34,433	28,616
Cash and cash equivalents at beginning of the period				124,692	107,838
Effects of exchange rate fluctuations				496	3,480
Cash and cash equivalents at end of the period				159,621	139,934

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
At 1 January 2016	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
At 31 March 2016	76,985	(5,070)	(229)	5,936	16,236	1,297	129,870	225,025	9,712	234,737
Changes in equity for the period:										
Purchase of own shares	-	(126)	-	-	-	-	-	(126)	-	(126)
Share-based payment transactions	-	-	-	407	-	-	-	407	-	407
Treasury shares reissued	-	810	(484)	-	-	-	-	326	-	326
Dividend paid of 2.50 cents per share	-	-	-	-	-	-	(21,479)	(21,479)	-	(21,479)
Dividend to non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	(1,622)	(1,622)
Acquisition of non-controlling interest without a change in control	-	-	-	-	-	-	(222)	(222)	222	-
Total comprehensive income for the period	-	-	-	-	-	(3,721)	9,246	5,525	391	5,916
At 30 June 2016	76,985	(4,386)	(713)	6,343	16,236	(2,424)	117,415	209,456	8,703	218,159
Changes in equity for the period:										
Purchase of own shares	-	(206)	-	-	-	-	-	(206)	-	(206)
Share-based payment transactions	-	-	-	369	-	-	-	369	-	369
Total comprehensive income for the period	-	-	-	-	-	1,012	22,743	23,755	1,294	25,049
At 30 September 2016	76,985	(4,592)	(713)	6,712	16,236	(1,412)	140,158	233,374	9,997	243,371

(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
At 1 January 2015	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
Total comprehensive income for the period	-	-	-	-	-	5,599	8,683	14,282	709	14,991
At 31 March 2015	76,985	(4,710)	(267)	4,021	12,282	10,716	102,332	201,359	8,445	209,804
Changes in equity for the period:										
Purchase of own shares	-	(229)	-	-	-	-	-	(229)	-	(229)
Share-based payment transactions	-	-	-	466	-	-	-	466	-	466
Treasury shares reissued	-	2,536	95	-	-	-	-	2,631	-	2,631
Transfer to general reserve fund	-	-	-	-	3,889	-	(3,889)	-	-	-
Dividend paid of 2.00 cents per share	-	-	-	-	-	-	(17,160)	(17,160)	-	(17,160)
Dividend to non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	(1,172)	(1,172)
Total comprehensive income for the period	-	-	-	-	-	(3,195)	10,461	7,266	498	7,764
At 30 June 2015	76,985	(2,403)	(172)	4,487	16,171	7,521	91,744	194,333	7,771	202,104
Changes in equity for the period:										
Purchase of own shares	-	(2,797)	-	-	-	-	-	(2,797)	-	(2,797)
Share-based payment transactions	-	-	-	483	-	-	-	483	-	483
Treasury shares re-issued	-	168	103	-	-	-	-	271	-	271
Total comprehensive income for the period	-	-	-	-	-	4,455	23,595	28,050	1,480	29,530
At 30 September 2015	76,985	(5,032)	(69)	4,970	16,171	11,976	115,339	220,340	9,251	229,591

(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
At 1 January 2016	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)
At 31 March 2016	76,985	(5,070)	(229)	5,936	35,898	113,520
Purchase of own shares	-	(126)	-	-	-	(126)
Share-based payment transactions	-	-	-	407	-	407
Treasury shares reissued	-	810	(484)	-	-	326
Dividend paid of 2.50 cents per share	-	-	-	-	(21,479)	(21,479)
Total comprehensive income/ (loss) for the period	-	-	-	-	28,150	28,150
At 30 June 2016	76,985	(4,386)	(713)	6,343	42,569	120,798
Purchase of own shares	-	(206)	-	-	-	(206)
Share-based payment transactions	-	-	-	369	-	369
Total comprehensive income/ (loss) for the period	-	-	-	-	(933)	(933)
At 30 September 2016	76,985	(4,592)	(713)	6,712	41,636	120,028

(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
At 1 January 2015	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)
At 31 March 2015	76,985	(4,710)	(267)	4,021	24,059	100,088
Purchase of own shares	-	(229)	-	-	-	(229)
Share-based payment transactions	-	-	-	466	-	466
Treasury shares reissued	-	2,536	95	-	-	2,631
Dividend paid of 2.00 cents per share	-	-	-	-	(17,160)	(17,160)
Total comprehensive income/ (loss) for the period	-	-	-	-	31,092	31,092
At 30 June 2015	76,985	(2,403)	(172)	4,487	37,991	116,888
Purchase of own shares	-	(2,797)	-	-	-	(2,797)
Share-based payment transactions	-	-	-	483	-	483
Treasury shares re-issued	-	168	103	-	-	271
Total comprehensive income/ (loss) for the period	-	-	-	-	(1,186)	(1,186)
At 30 September 2015	76,985	(5,032)	(69)	4,970	36,805	113,659

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 269,800 shares by way of on-market purchase for a total consideration of \$206,000 (including transaction costs) in 3Q2016. These shares purchased were made out of the Company's capital and held as treasury shares.

No share options were exercised in 3Q2016. The Company's issued and fully paid up shares as at 30 September 2016 comprised 858,907,980 (30 September 2015: 856,194,480) ordinary shares and 10,021,600 (30 September 2015: 12,735,100) treasury shares.

During the third quarter ended 30 September 2016, 160,000 share options had lapsed upon the resignation of an employee. As at 30 September 2016, options to subscribe for 20,830,000 (30 September 2015: 20,498,000) 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 30/09/2016	As at 31/12/2015
Total number of issued shares	868,929,580	868,929,580
Less: Treasury shares	(10,021,600)	(13,289,700)
Total number of issued shares excluding treasury shares	858,907,980	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.

Treasury shares	No. of shares	S\$'000
Balance as at 30/06/2016	9,751,800	4,386
No. of shares purchased	269,800	206
Balance as at 30/09/2016	10,021,600	4,592

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.

Earnings per share	Q3 ended		9 Months ended	
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
(a) Based on the number of ordinary shares in issue (cents)	2.65	2.75	4.70	5.01
(b) On fully diluted basis (cents)	2.60	2.72	4.62	4.94

The calculation of basic earnings per share for 3Q and 9 months ended 30 September 2016 are based on the net profits attributable to shareholders for the 3Q and 9 months ended 30 September 2016 divided by the weighted average number of ordinary shares outstanding of 859,066,545 and 858,368,532 respectively.

The calculation of basic earnings per share for 3Q and 9 months ended 30 September 2015 are based on the net profits attributable to shareholders for the 3Q and 9 months ended 30 September 2015 divided by the weighted average number of ordinary shares outstanding of 856,595,221 and 853,641,591 respectively.

The calculation of diluted earnings per share for 3Q and 9 months ended 30 September 2016 are based on the net profits attributable to shareholders for the 3Q and 9 months ended 30 September 2016 divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 873,098,393 and 873,202,491 respectively.

The calculation of diluted earnings per share for 3Q and 9 months ended 30 September 2015 are based on the net profits attributable to shareholders for the 3Q and 9 months ended 30 September 2015 divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 866,192,803 and 865,007,863 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	
	30/09/2016	31/12/2015	30/09/2016	31/12/2015
Net asset value per ordinary share (cents) based on number of issued shares excluding treasury shares at the end of:	27.17	25.95	13.97	13.25

Net asset value per ordinary share was calculated based on 858,907,980 ordinary shares issued (excluding treasury shares) as at 30 September 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 third quarter of FY2016, the Group achieved sales of \$47.63 million, a decrease of 3.4% from the corresponding period in 3Q2015, mainly attributable to lower revenue contributed by Underwater World Xiamen ("UWX") and Lixing Cable Car ("LCC"), partially offset by higher revenue from Shanghai Ocean Aquarium ("SOA") and our Singapore subsidiary, Straco Leisure which operates the Singapore Flyer. Weaker RMB currency against SGD in the current period, compared to last year's exchange rate also translated to lower revenue in SGD terms.

Overall visitation to all our attractions was 2.01 million visitors for the quarter, 1.1% lower than the corresponding period in 3Q2015.

Cumulatively, overall revenue in SGD terms for the nine months of of FY2016 amounted to \$101.92 million, a decrease of 1.8% compared to the corresponding period in FY2015.

Operational Results

Total Expenses (excluding finance cost) for 3Q2016 decreased \$0.23 million, or 1.5% from 3Q2015. Sales and marketing expenses for the quarter was negative, due to the reversal of sales taxes paid on ticket revenue by SOA for the period January to April this year, as SOA received notification of the sales tax waiver for the period, as well as lower sales tax in the current quarter arising from China tax reforms with the implementation of value-added tax with effect from 1 May 2016, and lower advertising and promotional expenses incurred in the current quarter. Staff cost for 3Q16 increased, mainly attributable to more headcounts compared to 3Q2015 and general salary adjustments, while other operating expenses increased mainly due to higher cost of sales for retail and food and beverage, as well as service fee for tickets sold by ferry operators at UWX.

Profit before tax was \$33.13 million for the current quarter, 4% lower than the profit before tax of \$34.51 million for 3Q2015.

Balance Sheet items

Trade and other receivables decreased 51.8% from \$7.10 million at 31 December 2015 to \$3.42 million at 30 September 2016 mainly due to decline in fixed deposits interest receivables as most RMB fixed deposits placed on two years tenure had matured in this quarter, as well as the refund of 2015 sales tax paid on ticket revenue were received by SOA this year upon the waiver being granted, partially offset by increase in trade receivables.

Other current assets decreased 18.7% from \$1.71 million at 31 December 2015 to \$1.39 million at 30 September 2016, mainly due to the refund of excess deposit paid and decrease in

prepayments at Singapore Flyer, decrease in prepayments to suppliers at UWX, partially offset by advance payment for electrical works at LCC.

Reserves decreased 31% from \$23.54 million at 31 December 2015 to \$16.23 million at 30 September 2016, due to the translation loss of \$9.15 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 \$0.64 million; partially offset by increase in share option reserves of \$1.26 million during the period arising from share options granted in May 2015 and May 2016 as well as the net decrease in treasury shares from share buyback of \$0.53 million and treasury shares reissued of \$1.76 million.

Deferred income increased from \$85,000 at 31 December 2015 to \$278,000 at 30 September 2016, mainly due to certain PRC's government grants previously received by SOA and recorded as other current liabilities was now transferred to deferred income to be periodically recognized to profit & loss over the useful life of the assets associated with it, partially offset by the periodic recognition of deferred income to profit & loss in the current period.

Current tax liabilities increased 267% from \$2.22 million at 31 December 2015 to \$8.14 million at 30 September 2016, mainly due to the provision of income taxes 3Q2016 profits by our subsidiaries; 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 \$34.97 million for 3Q2016. During the quarter, the Company used \$0.21 million to buy back 269,800 of its own shares. As at 30 September 2016, the Group's cash and cash equivalent balance amounted to \$159.62 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 at a steady rate of 6.7% in the third quarter of 2016 from a year ago, level with the first and second quarters, putting it on track to hit the government's full year's target of 6.5%-7% growth.

On the tourism sector, it was reported China saw a marked increase in tourist visits and spending during the recent National Day golden week holidays.

In Singapore, the economy grew 0.6% in 3Q2016 compared to the same period a year ago, as a sluggish manufacturing sector drag on growth. On the tourism sector, the Singapore Tourism Board continues to pursue Quality Tourism through collaboration with technology partners to enhance visitors experience in Singapore. It has also recently launched SkillsFuture Study Awards to enhance the competitiveness of Singapore tourism sector.

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 3Q2016 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 November 2016