

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

FULL YEAR ENDED 31 DECEMBER 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

	4Q ended			Full Year ended		
	31/12/2016	31/12/2015	Change	31/12/2016	31/12/2015	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	23,236	23,829	(2.5)	125,156	127,665	(2.0)
Other income	1,903	1,587	19.9	6,135	5,382	14.0
Less:						
Depreciation and amortisation expense	(3,271)	(3,233)	1.2	(12,795)	(12,783)	0.1
Changes in inventories of purchased goods	(613)	(331)	85.2	(2,944)	(1,826)	61.2
Consultancy expense	(314)	(280)	12.1	(1,042)	(1,085)	(4.0)
Sales and marketing expenses	(285)	(456)	(37.5)	(1,550)	(2,485)	(37.6)
Exchange (losses)/ gains	218	(60)	n.m.	(35)	76	n.m.
Loss on disposal of property, plant and equipment	-	-	n.m.	(11)	(51)	(78.4)
Operating lease expense	(1,376)	(1,277)	7.8	(6,877)	(6,865)	0.2
Property and other taxes	(563)	(540)	4.3	(1,900)	(1,791)	6.1
Repair and maintenance expenses	(1,297)	(1,275)	1.7	(4,427)	(4,943)	(10.4)
Staff cost	(6,705)	(5,459)	22.8	(22,712)	(18,703)	21.4
Utilities expense	(658)	(740)	(11.1)	(2,991)	(3,470)	(13.8)
Other operating expenses	(507)	(444)	14.2	(2,092)	(2,064)	1.4
Other administrative expenses	(455)	(542)	(16.1)	(2,091)	(2,236)	(6.5)
Operating profit	9,313	10,779	(13.6)	69,824	74,821	(6.7)
Finance costs	(385)	(564)	(31.7)	(1,613)	(1,894)	(14.8)
Profit before income tax	8,928	10,215	(12.6)	68,211	72,927	(6.5)
Tax expense	(2,403)	(3,556)	(32.4)	(19,040)	(21,112)	(9.8)
Profit for the period	6,525	6,659	(2.0)	49,171	51,815	(5.1)
Profit attributable to:						
Owners of the Company	6,140	6,261	(1.9)	46,464	49,000	(5.2)
Non-controlling interests	385	398	(3.3)	2,707	2,815	(3.8)
Profit for the period	6,525	6,659	(2.0)	49,171	51,815	(5.1)

STATEMENT OF COMPREHENSIVE INCOME

	4Q ended			Full Year ended		
	31/12/2016	31/12/2015	Change	31/12/2016	31/12/2015	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period	6,525	6,659	(2.0)	49,171	51,815	(5.1)
Other comprehensive income/ (loss) for the period, net of tax						
Translation differences relating to financial statements of foreign subsidiaries	2,272	(4,400)	n.m.	(7,229)	2,729	n.m.
Other comprehensive income/ (loss) for the period, net of tax	2,272	(4,400)	n.m.	(7,229)	2,729	n.m.
Total comprehensive income for the period	8,797	2,259	289.4	41,942	54,544	(23.1)
Total comprehensive income attributable to:						
Owners of the Company	8,332	2,025	311.5	39,504	51,623	(23.5)
Non-controlling interests	465	234	98.7	2,438	2,921	(16.5)
Total comprehensive income for the period	8,797	2,259	289.4	41,942	54,544	(23.1)

n.m. – not meaningful

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

	4Q ended		Full Year ended	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment	2,737	2,685	10,741	10,562
Depreciation of investment property	382	360	1,444	1,416
Amortisation of intangible assets	152	188	610	805
Interest income	(1,121)	(1,012)	(3,598)	(3,224)
Interest expense	385	564	1,613	1,894
Foreign exchange losses/ (gains)	(218)	60	35	(76)
Loss on disposal of property, plant and equipment	-	-	11	51
Government grant	(34)	(160)	(87)	(212)

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
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	127,443	134,617	2,146	2,222
Investment property	48,370	48,859	-	-
Investments in subsidiaries	-	-	103,130	102,220
Intangible assets	3,198	3,807	-	-
	179,011	187,283	105,276	104,442
Current assets				
Inventories	2,113	2,386	-	-
Trade and other receivables	3,727	7,100	-	-
Loans and receivables from subsidiaries	-	-	482	2,577
Other current assets	1,080	1,710	25	28
Fixed deposits pledged	1,000	1,000	-	-
Cash and cash equivalents	163,234	135,525	16,350	7,957
	171,154	147,721	16,857	10,562
Total assets	350,165	335,004	122,133	115,004
Equity attributable to owners of the Company				
Share capital	76,985	76,985	76,985	76,985
Reserves	18,855	23,537	1,839	(438)
Retained earnings	146,298	121,535	41,932	36,829
	242,138	222,057	120,756	113,376
Non-controlling interests	10,462	9,424	-	-
Total equity	252,600	231,481	120,756	113,376
Non-current liabilities				
Borrowings	49,900	61,900	-	-
Deferred income	259	85	-	-
Deferred tax liabilities	18,654	16,209	-	-
Provision for reinstatement cost	4,100	1,213	-	-
	72,913	79,407	-	-
Current liabilities				
Trade and other payables	10,575	9,898	849	1,078
Amounts due to subsidiaries	-	-	528	550
Current tax liabilities	2,077	2,218	-	-
Current borrowings	12,000	12,000	-	-
	24,652	24,116	1,377	1,628
Total liabilities	97,565	103,523	1,377	1,628
Total equity and liabilities	350,165	335,004	122,133	115,004

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

	As at 31/12/2016		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	47,000,000	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	Full Year ended 31/12/2016	Full Year ended 31/12/2015
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before income tax	68,211	72,927
Adjustments for:		
Amortisation of intangible assets	610	805
Depreciation of property, plant and equipment	10,741	10,562
Depreciation of investment property	1,444	1,416
Equity-settled share-based payment transactions	1,628	1,867
Loss on disposal of property, plant and equipment	11	51
Government grant utilised	(73)	(69)
Interest income	(3,598)	(3,224)
Interest expense	1,613	1,894
Exchange losses/ (gains)	30	(95)
Operating profit before working capital changes	80,617	86,134
Changes in working capital:		
Trade and other receivables	1,701	(1,816)
Inventories	208	448
Trade and other payables	1,177	(1,294)
Cash generated from operating activities	83,703	83,472
Income taxes paid	(16,632)	(18,461)
Net cash from operating activities	67,071	65,011
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,752)	(3,854)
Proceeds from disposal of property, plant and equipment	1	2
Interest received	5,565	1,605
Net cash from/ (used in) investing activities	1,814	(2,247)
Cash flows from financing activities		
Dividend paid to owners of company	(21,479)	(17,160)
Dividend paid to non-controlling interests	(1,622)	(1,234)
Repurchase of own shares	(525)	(4,146)
Proceeds from exercise of share options	1,175	3,231
Repayment of borrowings	(12,000)	(19,522)
Interest paid	(1,498)	(1,842)
Deposits unpledged	-	17,048
Net cash used in financing activities	(35,949)	(23,625)
Net increase in cash and cash equivalents	32,936	39,139
Cash and cash equivalents at beginning of the period	135,525	94,417
Effects of exchange rate fluctuations	(5,227)	1,969
Cash and cash equivalents at end of the period	163,234	135,525

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
Changes in equity for the period:										
Share-based payment transactions	-	-	-	369	-	-	-	369	-	369
Treasury shares re-issued	-	46	17	-	-	-	-	63	-	63
Total comprehensive income for the period	-	-	-	-	-	2,192	6,140	8,332	465	8,797
At 31 December 2016	76,985	(4,546)	(696)	7,081	16,236	780	146,298	242,138	10,462	252,600

(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
Changes in equity for the period:										
Purchase of own shares	-	(1,120)	-	-	-	-	-	(1,120)	-	(1,120)
Share-based payment transactions	-	-	-	483	-	-	-	483	-	483
Treasury shares re-issued	-	329	-	-	-	-	-	329	-	329
Transfer to general reserve fund	-	-	-	-	65	-	(65)	-	-	-
Dividend to non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	(61)	(61)
Total comprehensive income for the period	-	-	-	-	-	(4,236)	6,261	2,025	234	2,259
At 31 December 2015	76,985	(5,823)	(69)	5,453	16,236	7,740	121,535	222,057	9,424	231,481

(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
Share-based payment transactions	-	-	-	369	-	369
Treasury shares re-issued	-	46	17	-	-	63
Total comprehensive income/ (loss) for the period	-	-	-	-	296	296
As at 31 December 2016	76,985	(4,546)	(696)	7,081	41,932	120,756

(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
Purchase of own shares	-	(1,120)	-	-	-	(1,120)
Share-based payment transactions	-	-	-	484	-	484
Treasury shares re-issued	-	329	-	-	-	329
Total comprehensive income/ (loss) for the period	-	-	-	-	24	24
As at 31 December 2015	76,985	(5,823)	(69)	5,454	36,829	113,376

- 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 was no share buyback in 4Q2016.

The Company's issued and fully paid up shares as at 31 December 2016 comprised 859,007,980 (31 December 2015: 855,639,880) ordinary shares and 9,921,600 (31 December 2015: 13,289,700) treasury shares.

During the fourth quarter ended 31 December 2016, 100,000 share options were exercised from the options granted in 2014, resulting in 100,000 treasury shares being reissued. As at 31 December 2016, options to subscribe for 20,466,000 (31 December 2015: 19,658,000) 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 31/12/2016	As at 31/12/2015
Total number of issued shares	868,929,580	868,929,580
Less: Treasury shares	(9,921,600)	(13,289,700)
Total number of issued shares excluding treasury shares	859,007,980	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 30/09/2016	10,021,600	4,592
No. of shares transferred on exercise of share option	(100,000)	(46)
Balance as at 31/12/2016	9,921,600	4,546

- 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	Q4 ended		Full Year ended	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
(a) Based on the number of ordinary shares in issue (cents)	0.71	0.73	5.41	5.74
(b) On fully diluted basis (cents)	0.71	0.72	5.39	5.67

The calculation of basic earnings per share for 4Q and full year ended 31 December 2016 are based on the net profits attributable to shareholders for the 4Q and full year ended 31 December 2016 divided by the weighted average number of ordinary shares outstanding of 858,971,023 and 858,519,978 respectively.

The calculation of basic earnings per share for 4Q and full year ended 31 December 2015 are based on the net profits attributable to shareholders for the 4Q and full year ended 31 December 2015 divided by the weighted average number of ordinary shares outstanding of 855,873,730 and 854,204,212 respectively.

The calculation of diluted earnings per share for 4Q and full year ended 31 December 2016 are based on the net profits attributable to shareholders for the 4Q and full year ended 31 December 2016 divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 862,486,126 and 862,542,916 respectively.

The calculation of diluted earnings per share for 4Q and full year ended 31 December 2015 are based on the net profits attributable to shareholders for the 4Q and full year ended 31 December 2015 divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 863,644,860 and 864,674,799 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	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Net asset value per ordinary share (cents) based on number of issued shares excluding treasury shares at the end of:	28.19	25.95	14.06	13.25

Net asset value per ordinary share was calculated based on 859,007,980 ordinary shares issued (excluding treasury shares) as at 31 December 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 fourth quarter of FY2016, the Group achieved sales of \$23.24 million, a decrease of 2.5% from the corresponding period in 4Q2015, mainly attributable to lower revenue contributed by Underwater World Xiamen ("UWX"), partially offset by higher revenue from Shanghai Ocean Aquarium ("SOA"), Lixing Cable Car ("LCC") and our Singapore subsidiary, Straco Leisure Pte Ltd ("SLPL") which operates the Singapore Flyer.

Overall visitation to all our attractions was 0.915 million visitors for the quarter, 2.6% lower than the corresponding period in 4Q2015.

Cumulatively, overall revenue in SGD terms for FY2016 amounted to \$125.16 million, a decrease of 2.0% compared to FY2015.

Operational Results

Total Expenses (excluding finance cost) for 4Q2016 increased \$1.19 million, or 8.1% from 4Q2015. Cost of sales for 4Q2016 increased over corresponding period, due to a new restaurant which started operation in February this year and higher retail cost. Sales and marketing expenses for the quarter decreased, due to 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. Staff cost for 4Q16 increased, mainly attributable to more headcounts compared to 4Q2015 and general salary adjustments.

Profit before tax was \$8.93 million for the current quarter, 12.6% lower than the profit before tax of \$10.22 million for 4Q2015, mainly attributable to lower profits at UWX and SLPL.

Balance Sheet items

Trade and other receivables decreased 47.5% from \$7.10 million at 31 December 2015 to \$3.73 million at 31 December 2016 mainly due to decline in fixed deposits interest receivables as most RMB fixed deposits placed on two years tenure had matured in this year, as well as the refund of 2015 sales tax paid on ticket revenue were received by SOA this year upon the waiver being granted.

Other current assets decreased 36.8% from \$1.71 million at 31 December 2015 to \$1.08 million at 31 December 2016, mainly due to the refund of excess deposit paid and decrease in prepayments at Singapore Flyer, decrease in prepayments to suppliers at UWX, and reclassification of certain deposits paid previously for purchase of property, plant and equipment at Lintong Zhongxin to construction in progress.

Reserves decreased 19.9% from \$23.54 million at 31 December 2015 to \$18.86 million at 31 December 2016, due to the translation loss of \$6.96 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 \$0.63 million; partially offset by increase in share option reserves of \$1.63 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 \$1.80 million.

Deferred income increased from \$85,000 at 31 December 2015 to \$259,000 at 31 December 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.

Deferred tax liabilities increased from \$16.21 million at 31 December 2015 to \$18.65 million at 31 December 2016, mainly due to additional deferred tax recognized by SLPL on the temporary differences between the accounting and tax carrying values for the qualifying assets which capital allowances are available for offset against taxable profit, as well as deferred tax recognized on the current year distributable profit of SOA, UWX, and LCC which are subjected to 5% withholding tax.

Provision for reinstatement cost increased from \$1.21 million at 31 December 2015 to \$4.10 million at 31 December 2016, due to revision of the discount rate used to reflect the current market assessments of the time value of money.

Cash flow Statement

The Group generated net cash from operating activities amounting to \$67.07 million in FY2016. During the year, the Company used \$23.10 million to pay out dividends and \$13.50 million to repay borrowings and paid interest on loans. The company used \$0.53 million to buy back 691,900 of its own shares, and received \$1.18 million from the exercises of 4.06 million share options. As at 31 December 2016, the Group's cash and cash equivalent balance amounted to \$163.23 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 6.8% in the fourth quarter of 2016 from a year ago, and 6.7% for the full year with

consumption accounting for 64.6% of GDP, amid its transition towards domestic consumption away from manufacturing and investment led growth.

On the tourism sector, it was recently reported that the authority will continue to deepen the structural reform of the supply side in 2017, and vigorously boost inbound tourism, stabilize the development of domestic tourism, and enhance the international influence and competitiveness of the Chinese tourism industry.

In Singapore, the economy grew 1.8% in 4Q2016 compared to the same period a year ago, with strong improvements from the manufacturing and service sectors. On the tourism sector, it was reported that Singapore received 16.4 million visitors in 2016, up 7.7% year-on-year, while tourism receipts rose 13.9% to \$24.8 billion. The strong performance of the tourism sector was the fruition of various initiatives, including digital partnerships with Chinese players, supporting industry transformation by tapping on technology to improve productivity, better business-to-business collaboration and enhancing visitors' experience.

11. Dividend

(a) Current Financial Period Reported On

Any interim (final) dividend declared (recommended) for the current financial period reported on? Yes

The Board of Directors is pleased to recommend a first and final dividend as follows:

Name of Dividend	First & Final (One-tier)
Dividend Type	Cash
Dividend Amount per Share (in cents)	2.50 cent per ordinary share
Tax Rate	Tax Exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	First & Final (One-tier)	Special (One-tier)
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	2.00 cent per ordinary share	0.5 cent per ordinary share
Tax Rate	Tax Exempt	Tax Exempt

(c) Date payable

To be announced.

(d) Books closure date

To be announced.

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

Not applicable.

- 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).**

Not applicable.

- 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.

The Group is principally engaged in the development and operation of tourism-related attractions. Retail, food and beverage are auxiliary goods and services arising from the operations of the above facilities.

The Group has two reportable segments, as described below, which consists of the Group's strategic business units which are managed separately. For each of the strategic business units, the Group's Executive Chairman ("EC") reviews internal management reports on a monthly basis. The following summary describes the operations of the Group's reportable segment:

- Aquariums – Operation of aquatic-related facilities and tourist attractions, including sea lion performances. Retail, food and beverage are auxiliary goods and services arising from the operation of the above facilities.
- Giant Observation Wheel ("GOW") – Operation of a circular giant observation structure, and provision of retail space. Retail, food and beverage are auxiliary goods and services arising from the operation of the above facilities.

Other operations include the cable-car facility. None of these segments meets any of the quantitative thresholds for determining reportable segments in 2016 and 2015.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's EC. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries

	Aquariums		GOW		Others		Total	
	FY2016	FY2015	FY2016	FY2015	FY2016	FY2015	FY2016	FY2015
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
External revenue	81,536	86,699	40,340	37,649	3,280	3,317	125,156	127,665
Interest revenue	3,076	3,006	184	26	23	120	3,283	3,152
Interest expense	-	-	1,614	1,787	-	-	1,614	1,787
Depreciation and amortisation	3,751	4,008	8,789	8,534	158	147	12,698	12,689
Reportable segment profit before income tax	58,573	62,315	10,784	12,254	1,353	1,282	70,710	75,851
Reportable segment assets	164,584	159,032	157,273	154,896	9,427	9,970	331,284	323,898
Capital expenditure	1,590	1,990	1,318	836	837	985	3,745	3,811
Reportable segment liabilities	11,418	10,657	109,242	115,967	1,955	4,707	122,615	131,331

Reconciliations of reportable segment profit or loss, assets and liabilities and other material items:

	FY2016	FY2015
	S\$'000	S\$'000
Profit or loss		
Total profit for reportable segments	70,710	75,851
Unallocated amounts:		
- Head office and corporate expenses	(5,382)	(6,647)
- Head office and corporate income	333	93
- Elimination on consolidation	2,550	3,630
Consolidated profit before income tax	68,211	72,927
Assets		
Total assets for reportable segments	331,284	323,898
Unallocated head office and corporate assets:		
- Property, plant and equipment	2,170	2,261
- Loan and advances to subsidiaries	27,059	27,059
- Other amounts due from subsidiaries	8,783	12,546
- Cash and short-term bank deposits	18,085	9,978
- Others	51	63
Elimination on consolidation	(37,267)	(40,801)
Consolidated total assets	350,165	335,004
Liabilities		
Total liabilities for reportable segments	122,615	131,331
Unallocated head office and corporate liabilities:		
- Other payables and accruals	1,375	1,804
- Amounts due to subsidiaries	5,922	7,070
- Deferred tax liabilities	4,882	4,119
- Current tax liabilities	38	-
Elimination on consolidation	(37,267)	(40,801)
Consolidated total liabilities	97,565	103,523

Other material items	Reportable segment totals	Unallocated corporate amounts	Consolidation eliminations	Consolidation totals
	S\$'000	S\$'000	S\$'000	S\$'000
FY2016				
Interest revenue	(3,283)	(315)	-	(3,598)
Interest expense	1,614	-	-	1,614
Capital expenditure	3,745	7	-	3,752
Depreciation and amortisation	12,698	97	-	12,795
FY2015				
Interest revenue	(3,152)	(72)	-	(3,224)
Interest expense	1,787	107	-	1,894
Capital expenditure	3,811	43	-	3,854
Depreciation and amortisation	12,689	94	-	12,783

Geographical information		
	Revenue	Non-current assets
	S\$'000	S\$'000
2016		
Singapore	40,340	138,609
China	84,816	40,402
	125,156	179,011
2015		
Singapore	37,649	143,402
China	90,016	43,881
	127,665	187,283

- 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.**

Please refer to Note 8 above.

- 18. A breakdown of sales.**

		2016	2015	Increase/ (Decrease)
		S\$'000	S\$'000	(Decrease)
		(Actual)	(Actual)	%
(a)	Sales reported for first half year	54,290	54,544	(0.5)
(b)	Operating profit after tax before deducting minority interests reported for first half year	18,643	20,253	(7.9)
(c)	Sales reported for second half year	70,866	73,121	(3.1)
(d)	Operating profit after tax before deducting minority interests reported for second half year	30,528	31,562	(3.3)

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

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	21,475	21,479
Preference	-	-
Total	21,475	21,479

- 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, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Wu Xiuyi	36	Daughter of Mr Wu Hsioh Kwang and Mdm Chua Soh Har	Senior Vice President, Assistant to Executive Chairman, 2011	Not applicable
			Alternate Director to Mr Wu Hsioh Kwang, 2014	
Wu Xiuzhuan	35	Son of Mr Wu Hsioh Kwang and Mdm Chua Soh Har	Vice President (Corporate Development and Risk Management), 2009	Not applicable
			Alternate Director to Mdm Chua Soh Har, 2014	

BY ORDER OF THE BOARD,

Lotus Isabella Lim Mei Hua
Company Secretary
28 February 2017