

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

**FULL YEAR ENDED 31 DECEMBER 2017 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		
	31/12/2017	31/12/2016	Change	31/12/2017	31/12/2016	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	24,589	23,236	5.8	128,443	125,156	2.6
Other income	1,669	1,903	(12.3)	6,562	6,135	7.0
Less:						
Depreciation and amortisation expense	(3,329)	(3,271)	1.8	(12,941)	(12,795)	1.1
Changes in inventories and purchases of goods	(714)	(613)	16.5	(3,447)	(2,944)	17.1
Consultancy expense	(256)	(314)	(18.5)	(811)	(1,042)	(22.2)
Sales and marketing expenses	(307)	(285)	7.7	(1,094)	(1,550)	(29.4)
Exchange (losses)/ gains	20	218	(90.8)	(349)	(35)	897.1
Loss on disposal of property, plant and equipment	(16)	-	n.m.	(37)	(11)	236.4
Impairment loss on property, plant and equipment	(260)	-	n.m.	(260)	-	n.m.
Operating lease expense	(1,479)	(1,376)	7.5	(7,291)	(6,877)	6.0
Property and other taxes	(672)	(563)	19.4	(2,032)	(1,900)	6.9
Repair and maintenance expenses	(1,428)	(1,297)	10.1	(4,614)	(4,427)	4.2
Staff cost	(6,324)	(6,705)	(5.7)	(22,982)	(22,712)	1.2
Utilities expense	(629)	(658)	(4.4)	(2,759)	(2,991)	(7.8)
Other operating expenses	(629)	(507)	24.1	(2,648)	(2,092)	26.6
Other administrative expenses	(520)	(455)	14.3	(2,036)	(2,091)	(2.6)
Operating profit	9,715	9,313	4.3	71,704	69,824	2.7
Finance costs	(391)	(385)	1.6	(1,245)	(1,613)	(22.8)
Profit before income tax	9,324	8,928	4.4	70,459	68,211	3.3
Tax expense	(2,877)	(2,403)	19.7	(19,844)	(19,040)	4.2
<b>Profit for the period</b>	<b>6,447</b>	<b>6,525</b>	<b>(1.2)</b>	<b>50,615</b>	<b>49,171</b>	<b>2.9</b>
<b>Profit attributable to:</b>						
Owners of the Company	6,066	6,140	(1.2)	47,739	46,464	2.7
Non-controlling interests	381	385	(1.0)	2,876	2,707	6.2
<b>Profit for the period</b>	<b>6,447</b>	<b>6,525</b>	<b>(1.2)</b>	<b>50,615</b>	<b>49,171</b>	<b>2.9</b>

**STATEMENT OF COMPREHENSIVE INCOME**

	4Q ended			Full Year ended		
	31/12/2017	31/12/2016	Change	31/12/2017	31/12/2016	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Profit for the period</b>	<b>6,447</b>	<b>6,525</b>	<b>(1.2)</b>	<b>50,615</b>	<b>49,171</b>	<b>2.9</b>
<b>Other comprehensive income/ (loss) for the period, net of tax</b>						
Translation differences relating to financial statements of foreign subsidiaries	427	2,272	(81.2)	(2,631)	(7,229)	(63.6)
<b>Other comprehensive income/ (loss) for the period, net of tax</b>	<b>427</b>	<b>2,272</b>	<b>(81.2)</b>	<b>(2,631)</b>	<b>(7,229)</b>	<b>(63.6)</b>
<b>Total comprehensive income for the period</b>	<b>6,874</b>	<b>8,797</b>	<b>(21.9)</b>	<b>47,984</b>	<b>41,942</b>	<b>14.4</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	6,479	8,332	(22.2)	45,205	39,504	14.4
Non-controlling interests	395	465	(15.1)	2,779	2,438	14.0
<b>Total comprehensive income for the period</b>	<b>6,874</b>	<b>8,797</b>	<b>(21.9)</b>	<b>47,984</b>	<b>41,942</b>	<b>14.4</b>

n.m. – not meaningful

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

	4Q ended		Full Year ended	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment	2,815	2,737	10,887	10,741
Depreciation of investment property	361	382	1,444	1,444
Amortisation of intangible assets	153	152	610	610
Impairment of property, plant and equipment	261	-	261	-
Interest income	(1,179)	(1,121)	(4,297)	(3,598)
Interest expense	391	385	1,245	1,613
Foreign exchange (gains)/ losses	(20)	(218)	349	35
Loss on disposal of property, plant and equipment	16	-	37	11
Government grant	(25)	(34)	(179)	(87)

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 (gains)/ 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	As at	As at	As at
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	118,229	127,443	2,086	2,146
Investment property	46,926	48,370	-	-
Investments in subsidiaries	-	-	103,130	103,130
Intangible assets	2,588	3,198	-	-
	167,743	179,011	105,216	105,276
<b>Current assets</b>				
Inventories	2,096	2,113	-	-
Trade and other receivables	5,108	3,727	164	-
Loans and receivables from subsidiaries	-	-	418	482
Other current assets	939	1,080	29	25
Fixed deposits pledged	1,000	1,000	-	-
Cash and cash equivalents	190,414	163,234	24,340	16,350
	199,557	171,154	24,951	16,857
<b>Total assets</b>	<b>367,300</b>	<b>350,165</b>	<b>130,167</b>	<b>122,133</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	76,985	76,985	76,985	76,985
Reserves	17,458	18,855	2,908	1,839
Retained earnings	172,461	146,298	48,655	41,932
	266,904	242,138	128,548	120,756
<b>Non-controlling interests</b>	11,489	10,462	-	-
<b>Total equity</b>	<b>278,393</b>	<b>252,600</b>	<b>128,548</b>	<b>120,756</b>
<b>Non-current liabilities</b>				
Borrowings	37,900	49,900	-	-
Deferred income	184	259	-	-
Deferred tax liabilities	20,942	18,654	-	-
Provision for reinstatement cost	4,223	4,100	-	-
	63,249	72,913	-	-
<b>Current liabilities</b>				
Trade and other payables	11,205	10,575	1,022	849
Amounts due to subsidiaries	-	-	520	528
Current tax liabilities	2,453	2,077	77	-
Current borrowings	12,000	12,000	-	-
	25,658	24,652	1,619	1,377
<b>Total liabilities</b>	<b>88,907</b>	<b>97,565</b>	<b>1,619</b>	<b>1,377</b>
<b>Total equity and liabilities</b>	<b>367,300</b>	<b>350,165</b>	<b>130,167</b>	<b>122,133</b>

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

	As at 31/12/2017		As at 31/12/2016	
	<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	-	12,000	-
Amount payable after one year	35,000	2,900	47,000	2,900

**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 31/12/2017	Full Year ended 31/12/2016
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit before income tax	70,459	68,211
Adjustments for:		
Amortisation of intangible assets	610	610
Depreciation of property, plant and equipment	10,887	10,741
Depreciation of investment property	1,444	1,444
Equity-settled share-based payment transactions	1,004	1,628
Loss on disposal of property, plant and equipment	37	11
Government grant utilised	(69)	(73)
Impairment loss on property, plant and equipment	260	-
Interest income	(4,297)	(3,598)
Interest expense	1,245	1,613
Exchange losses	336	30
Operating profit before working capital changes	81,916	80,617
Changes in working capital:		
Trade and other receivables	596	1,701
Inventories	(1)	208
Trade and other payables	717	1,177
Cash generated from operating activities	83,228	83,703
Income taxes paid	(17,149)	(16,632)
Net cash from operating activities	66,079	67,071
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,585)	(3,752)
Proceeds from disposal of property, plant and equipment	2	1
Interest received	2,416	5,565
Net cash (used in)/ from investing activities	(167)	1,814
<b>Cash flows from financing activities</b>		
Dividend paid to owners of company	(21,509)	(21,479)
Dividend paid to non-controlling interests	(1,752)	(1,622)
Repurchase of own shares	(796)	(525)
Proceeds from exercise of share options	861	1,175
Repayment of borrowings	(12,000)	(12,000)
Interest paid	(1,121)	(1,498)
Net cash used in financing activities	(36,317)	(35,949)
<b>Net increase in cash and cash equivalents</b>	29,595	32,936
Cash and cash equivalents at beginning of the period	163,234	135,525
Effects of exchange rate fluctuations	(2,415)	(5,227)
<b>Cash and cash equivalents at end of the period</b>	190,414	163,234

**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 2017</b>	76,985	(4,546)	(696)	7,081	16,236	780	146,298	242,138	10,462	252,600
Changes in equity for the period:										
Share-based payment transactions	-	-	-	369	-	-	-	369	-	369
Transfer to general reserve fund	-	-	-	-	68	-	(68)	-	-	-
Dividend to non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	(1,752)	(1,752)
Total comprehensive income for the period	-	-	-	-	-	(3,929)	8,913	4,984	422	5,406
<b>At 31 March 2017</b>	76,985	(4,546)	(696)	7,450	16,304	(3,149)	155,143	247,491	9,132	256,623
Changes in equity for the period:										
Share-based payment transactions	-	-	-	251	-	-	-	251	-	251
Treasury shares reissued	-	619	(343)	-	-	-	-	276	-	276
Dividend paid of 2.50 cents per share	-	-	-	-	-	-	(21,509)	(21,509)	-	(21,509)
Total comprehensive income for the period	-	-	-	-	-	341	11,412	11,753	688	12,441
<b>At 30 June 2017</b>	76,985	(3,927)	(1,039)	7,701	16,304	(2,808)	145,046	238,262	9,820	248,082
Changes in equity for the period:										
Purchase of own shares	-	(776)	-	-	-	-	-	(776)	-	(776)
Share-based payment transactions	-	-	-	192	-	-	-	192	-	192
Total comprehensive income for the period	-	-	-	-	-	641	21,348	21,989	1,274	23,263
<b>At 30 September 2017</b>	76,985	(4,703)	(1,039)	7,893	16,304	(2,167)	166,394	259,667	11,094	270,761
Changes in equity for the period:										
Purchase of own shares	-	(20)	-	-	-	-	-	(20)	-	(20)
Share-based payment transactions	-	-	-	192	-	-	-	192	-	192
Treasury shares re-issued	-	528	57	-	-	-	-	585	-	585
Total comprehensive income for the period	-	-	-	-	-	413	6,066	6,479	395	6,874
<b>At 31 December 2017</b>	76,985	(4,195)	(982)	8,085	16,304	(1,754)	172,460	266,903	11,489	278,392

(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 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>	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
<b>At 30 June 2016</b>	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
<b>At 30 September 2016</b>	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
<b>At 31 December 2016</b>	76,985	(4,546)	(696)	7,081	16,236	780	146,298	242,138	10,462	252,600

**(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 2017</b>	76,985	(4,546)	(696)	7,081	41,932	120,756
Share-based payment transactions	-	-	-	369	-	369
Total comprehensive income/ (loss) for the period	-	-	-	-	30,477	30,477
<b>At 31 March 2017</b>	76,985	(4,546)	(696)	7,450	72,409	151,602
Purchase of own shares	-	-	-	-	-	-
Share-based payment transactions	-	-	-	251	-	251
Treasury shares reissued	-	619	(343)	-	-	276
Dividend paid of 2.50 cents per share	-	-	-	-	(21,509)	(21,509)
Total comprehensive income/ (loss) for the period	-	-	-	-	(708)	(708)
<b>At 30 June 2017</b>	76,985	(3,927)	(1,039)	7,701	50,192	129,912
Purchase of own shares	-	(776)	-	-	-	(776)
Share-based payment transactions	-	-	-	192	-	192
Total comprehensive income/ (loss) for the period	-	-	-	-	(727)	(727)
<b>At 30 September 2017</b>	76,985	(4,703)	(1,039)	7,893	49,465	128,601
Purchase of own shares	-	(20)	-	-	-	(20)
Share-based payment transactions	-	-	-	192	-	192
Treasury shares re-issued	-	528	57	-	-	585
Total comprehensive income/ (loss) for the period	-	-	-	-	(810)	(810)
<b>As at 31 December 2017</b>	76,985	(4,195)	(982)	8,085	48,655	128,548

(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 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>	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
<b>At 30 June 2016</b>	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)
<b>At 30 September 2016</b>	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
<b>As at 31 December 2016</b>	<u>76,985</u>	<u>(4,546)</u>	<u>(696)</u>	<u>7,081</u>	<u>41,932</u>	<u>120,756</u>

**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 25,100 shares by way of on-market purchase for a total consideration of \$20,000 (including transaction costs) in 4Q2017. These shares purchased were made out of the Company's capital and held as treasury shares.

During the fourth quarter ended 31 December 2017, 1,064,000 share options were exercised from the options granted in 2013, 2014, and 2016, resulting in 1,064,000 treasury shares being reissued. As at 31 December 2017, options to subscribe for 22,992,000 (31 December 2016: 20,466,000) ordinary shares remain outstanding.

The Company's issued and fully paid up shares as at 31 December 2017 comprised 860,496,880 (31 December 2016: 859,007,980) ordinary shares and 8,432,700 (31 December 2016: 9,921,600) 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.**

	<b>As at 31/12/2017</b>	<b>As at 31/12/2016</b>
Total number of issued shares	868,929,580	868,929,580
Less: Treasury shares	(8,432,700)	(9,921,600)
Total number of issued shares excluding treasury shares	860,496,880	859,007,980

**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 30/09/2017	9,471,600	4,703
No. of shares purchased	25,100	20
No. of shares transferred on exercise of share option	(1,064,000)	(528)
Balance as at 31/12/2017	8,432,700	4,195

**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 2016.

**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 2017 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	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
(a) Based on the number of ordinary shares in issue (cents)	0.71	0.71	5.55	5.41
(b) On fully diluted basis (cents)	0.70	0.71	5.53	5.39

The calculation of basic earnings per share for 4Q and full year ended 31 December 2017 are based on the net profits attributable to shareholders for the 4Q and full year ended 31 December 2017 divided by the weighted average number of ordinary shares outstanding of 860,053,330 and 859,798,808 respectively.

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 diluted earnings per share for 4Q and full year ended 31 December 2017 are based on the net profits attributable to shareholders for the 4Q and full year ended 31 December 2017 divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 863,498,272 and 863,509,328 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.

- 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	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Net asset value per ordinary share (cents) based on number of issued shares excluding treasury shares at the end of:	31.02	28.19	14.94	14.06

Net asset value per ordinary share was calculated based on 860,496,880 ordinary shares issued (excluding treasury shares) as at 31 December 2017 and 859,007,980 ordinary shares issued (excluding treasury shares) as at 31 December 2016.

- 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 FY2017, the Group achieved sales of \$24.59 million, an increase of 5.8% from the corresponding period in 4Q2016, mainly due to higher revenue at our three attractions in China- Shanghai Ocean Aquarium ("SOA"), Underwater World Xiamen ("UWX"), and Lixing Cable Car, partially offset by lower revenue from Straco Leisure which operates the Singapore Flyer.

Overall visitation to all our attractions was 0.983 million visitors for the quarter, 7.4% higher than the corresponding period in 4Q2016.

Cumulatively, overall revenue for FY2017 amounted to \$128.44 million, 2.6% higher than the corresponding period in FY2016.

## Operational Results

Total Expenses (excluding finance cost) for 4Q2017 increased \$0.72 million, or 4.5% from 4Q2016. Cost of sales for 4Q2016 increased over corresponding period, mainly due to higher food and beverage cost due to the restaurant at Singapore Flyer site which started in February last year, and higher retail cost. Property and other taxes increased, mainly due to higher property tax paid by Straco Leisure, arising from the revision in annual value by the tax authority. Consultancy expenses decreased, due to a reversal of an accrued amount. Other operating expenses increased, mainly due to higher service fee paid to ferry operators at UWX due to increase in business volume. Less exchange gain was recorded in 4Q2017.

Finance cost for 4Q2017 increased 1.6% from 4Q2016, due to the recognition of finance expenses for the provision of reinstatement cost for Straco Leisure Pte Ltd (SLPL) during the 4Q2017

Profit before tax was \$9.32 million for the current quarter, 4.4% higher than the profit before tax of \$8.93 million for 4Q2016.

## Balance Sheet items

Intangible assets decreased 19.1% from \$3.20 million at 31 December 2016 to \$2.59 million at 31 December 2017 due to the periodic amortization of the intangible assets cost at Straco Leisure.

Trade and other receivables increased 37.0% from \$3.73 million at 31 December 2016 to \$5.11 million at 31 December 2017 mainly due to increase in interest receivables from fixed deposits placed, partially offset by the refund received by SOA this year for 2016 sales tax paid on ticket revenue upon the waiver being granted.

Other current assets decreased 13.0% from \$1.08 million at 31 December 2016 to \$0.94 million at 31 December 2017 mainly due to decrease in prepayments.

Deferred income decreased from \$0.26 million at 31 December 2016 to \$0.18 million at 31 December 2017, mainly due to the periodic recognition of deferred income to profit & loss in the current period.

Current tax liabilities increased 17.8% from \$2.08 million at 31 December 2016 to \$2.45 million at 31 December 2017, mainly due to the provision of income taxes for 4Q2017 profits at our subsidiaries, partially offset by the payment of 4Q2016 income taxes by SOA, LCC, and UWX in the current period.

## Cash flow Statement

The Group generated net cash from operating activities amounting to \$4.7 million for 4Q2017. During the year, the Group used \$23.26 million to pay out dividends and \$13.12 million to repay borrowings and paid interest on loan. The Company used approximately \$0.80 million to buy back 925,100 of its own shares and received \$0.86 million from the exercises of 2.414 million share options. As at 31 December 2017, the Group's cash and cash equivalent balance amounted to \$190.41 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 6.9% in 2017 and 6.8% in the fourth quarter of 2017 against the prior year ago period, backed by a strong manufacturing sector and healthy domestic consumption.

On the tourism sector, year 2018 is the China-EU Tourism Year. China government will continue to deepen the structural reform of the supply side in 2018, 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 3.1% in 4Q2017. Growth was supported primarily by robust output expansions in the electronics and precision engineering clusters based on advance estimates from the Ministry of Trade and Industry. With the festive period under way, Singapore's tourism industry look poised to finish the year strong, bolstered by growing arrivals from China. According to preliminary estimates from the Singapore Tourism Board (STB), the nation received about 13.05 million visitors in the first three quarters of 2017, up 5% year-on-year. Arrivals from China - which outpaced Indonesia - shot up nearly 10% to some 2.49 million travellers, as the STB's efforts to better engage Chinese visitors and reach out to more second-tier cities appear to be paying off. We continue to see tourism sector remain healthy into 2018.

On 25 January 2018, the Group subsidiary's Giant Observation Wheel was suspended due to a technical issue. Flights operations are expected to resume once investigations are completed and approvals are obtained from the relevant authorities. As of to date, to the best of management's knowledge and belief, it is unlikely that this temporary suspension will significantly impact the Group's business operations as a whole.

**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)
Dividend Type	Cash
Dividend Amount per Share (in cents)	2.50 cent per ordinary share
Tax Rate	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 2017 and 2016.

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	
	FY2017	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	FY2016
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
External revenue	82,932	81,536	41,242	40,340	4,269	3,280	128,443	125,156
Interest revenue	3,212	3,076	317	184	61	23	3,590	3,283
Interest expense	-	-	1,245	1,614	2	-	1,247	1,614
Depreciation and amortisation	3,801	3,751	8,872	8,789	186	158	12,859	12,698
Reportable segment profit before income tax	59,882	58,573	10,978	10,784	1,975	1,353	72,835	70,710
Reportable segment assets	173,451	164,584	156,683	157,273	10,310	9,427	340,444	331,284
Capital expenditure	720	1,590	1,092	1,318	765	837	2,577	3,745
Reportable segment liabilities	11,625	11,418	99,370	109,242	2,857	1,955	113,852	122,615

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

	<b>FY2017</b>	<b>FY2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Profit or loss</b>		
Total profit for reportable segments	72,835	70,710
Unallocated amounts:		
- Head office and corporate expenses	(5,719)	(5,382)
- Head office and corporate income	721	333
- Elimination on consolidation	2,622	2,550
Consolidated profit before income tax	70,459	68,211
<b>Assets</b>		
Total assets for reportable segments	340,444	331,284
Unallocated head office and corporate assets:		
- Property, plant and equipment	2,097	2,170
- Loan and advances to subsidiaries	27,059	27,059
- Other amounts due from subsidiaries	9,275	8,783
- Cash and short-term bank deposits	26,356	18,085
- Others	219	51
Elimination on consolidation	(38,150)	(37,267)
Consolidated total assets	367,300	350,165
<b>Liabilities</b>		
Total liabilities for reportable segments	113,852	122,615
Unallocated head office and corporate liabilities:		
- Other payables and accruals	1,676	1,375
- Amounts due to subsidiaries	5,873	5,922
- Deferred tax liabilities	5,541	4,882
- Current tax liabilities	117	38
Elimination on consolidation	(38,150)	(37,267)
Consolidated total liabilities	88,909	97,565

<b>Other material items</b>				
	<b>Reportable segment totals</b>	<b>Unallocated corporate amounts</b>	<b>Consolidation eliminations</b>	<b>Consolidation totals</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>FY2017</b>				
Interest revenue	(3,590)	(709)	-	(4,299)
Interest expense	1,247	-	(2)	1,245
Capital expenditure	2,577	8	-	2,585
Depreciation and amortisation	12,859	82	-	12,941
<b>FY2016</b>				
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

<b>Geographical information</b>		
	<b>Revenue</b>	<b>Non-current assets</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>2017</b>		
Singapore	41,242	130,755
China	87,201	36,988
	<b>128,443</b>	<b>167,743</b>
<b>2016</b>		
Singapore	40,340	138,609
China	84,816	40,402
	<b>125,156</b>	<b>179,011</b>

**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.**

		<b>2017</b>	<b>2016</b>	<b>Increase/ (Decrease)</b>
		<b>S\$'000</b>	<b>S\$'000</b>	<b>(Decrease)</b>
		<b>(Actual)</b>	<b>(Actual)</b>	<b>%</b>
(a)	Sales reported for first half year	57,743	54,290	6.4
(b)	Operating profit after tax before deducting minority interests reported for first half year	21,568	18,643	15.7
(c)	Sales reported for second half year	70,700	70,866	(0.2)
(d)	Operating profit after tax before deducting minority interests reported for second half year	29,047	30,528	(4.9)

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

	<b>Latest Full Year (S\$'000)</b>	<b>Previous Full Year (S\$'000)</b>
Ordinary	21,512	21,509
Preference	-	-
<b>Total</b>	<b>21,512</b>	<b>21,509</b>

**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.**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director, CEO and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was first held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Wu Xiuyi	37	Daughter of Mr Wu Hsioh Kwang and Mdm Chua Soh Har	Senior Vice President, Assistant to Executive Chairman, 2011 Alternate Director to Mr Wu Hsioh Kwang, 2014	Not applicable
Wu Xiuzhuan	36	Son of Mr Wu Hsioh Kwang and Mdm Chua Soh Har	Senior Vice President (Corporate Development and Risk Management), 2018 Alternate Director to Mdm Chua Soh Har, 2014	Promoted from Vice President to Senior Vice President

BY ORDER OF THE BOARD,

Lotus Isabella Lim Mei Hua  
Company Secretary  
28 February 2018