

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

INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2022

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A. Consolidated Statement of Profit or Loss and Other Comprehensive Income

	6 Months ended			Full Year ended		
	31/12/2022	31/12/2021	Change	31/12/2022	31/12/2021	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	19,380	20,046	(3.3)	28,192	41,911	(32.7)
Other income						
- Finance income	1,961	2,288	(14.3)	4,187	4,401	(4.9)
- Others	758	2,219	(65.8)	1,122	14,010	(92.0)
Expenses						
- Depreciation and amortisation expense	(4,699)	(5,642)	(16.7)	(9,626)	(11,350)	(15.2)
- Changes in inventories and purchases of goods	(513)	(344)	49.1	(773)	(729)	6.0
- Professional and consultancy expense	(375)	(219)	71.2	(648)	(576)	12.5
- Sales and marketing expenses	(415)	(556)	(25.4)	(783)	(1,221)	(35.9)
- Exchange (losses)/ gains - net	(4,073)	968	n.m.	(5,371)	2,062	n.m.
- Loss on disposal of property, plant and equipment	(186)	(12)	n.m.	(181)	(20)	n.m.
- Impairment loss on investment property	(300)	(400)	(25.0)	(300)	(400)	(25.0)
- Impairment write-back/ (loss) on property, plant and equipment	1,700	(1,700)	n.m.	1,700	(1,700)	n.m.
- Rental expenses	(459)	(951)	(51.7)	(673)	(1,818)	(63.0)
- Property and other taxes	(279)	88	n.m.	(620)	(668)	(7.2)
- Government grant expense- rent concession	-	(83)	n.m.	-	(83)	n.m.
- Repair and maintenance expenses	(2,212)	(1,611)	37.3	(3,740)	(3,361)	11.3
- Staff cost	(8,540)	(8,626)	(1.0)	(16,952)	(17,035)	(0.5)
- Utilities expense	(1,542)	(1,202)	28.3	(2,721)	(2,216)	22.8
- Other expenses	(1,419)	(1,347)	5.3	(2,737)	(2,814)	(2.7)
Operating (loss)/ profit	(1,213)	2,916	n.m.	(9,924)	18,393	n.m.
Finance costs	(885)	(956)	(7.4)	(1,662)	(1,847)	(10.0)
(Loss)/ Profit before income tax	(2,098)	1,960	n.m.	(11,586)	16,546	n.m.
Tax expense	(144)	(165)	(12.7)	318	(4,413)	n.m.
(Loss)/ Profit for the period	(2,242)	1,795	n.m.	(11,268)	12,133	n.m.
Other comprehensive (loss)/ income for the period, net of tax						
Translation differences relating to financial statements of foreign subsidiaries	(7,797)	2,425	n.m.	(10,170)	6,554	n.m.
Other comprehensive (loss)/ income for the period, net of tax	(7,797)	2,425	n.m.	(10,170)	6,554	n.m.
Total comprehensive (loss)/ income for the period	(10,039)	4,220	n.m.	(21,438)	18,687	n.m.
(Loss)/ Profit attributable to:						
Owners of the Company	(2,343)	1,896	n.m.	(10,806)	11,567	n.m.
Non-controlling interests	101	(101)	n.m.	(462)	566	n.m.
(Loss)/ Profit for the period	(2,242)	1,795	n.m.	(11,268)	12,133	n.m.
Total comprehensive (loss)/ income attributable to:						
Owners of the Company	(9,831)	4,226	n.m.	(20,579)	17,866	n.m.
Non-controlling interests	(208)	(6)	n.m.	(859)	821	n.m.
Total comprehensive (loss)/ income for the period	(10,039)	4,220	n.m.	(21,438)	18,687	n.m.

n.m. – not meaningful

B. Consolidated Statement of Financial Position

	Group		Company	
	As at	As at	As at	As at
	31-12-2022	31-12-2021	31-12-2022	31-12-2021
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	159,954	168,312	1,792	1,849
Investment property	18,295	19,481	-	-
Investments in subsidiaries	-	-	76,071	76,071
Loans and advances to subsidiaries	-	-	40,250	36,650
Intangible assets	1,471	1,484	-	-
	179,720	189,277	118,113	114,570
Current assets				
Inventories	2,008	2,236	-	-
Trade and other receivables	4,199	6,195	312	229
Loans and receivables from subsidiaries	-	-	417	418
Other current assets	1,282	705	30	32
Fixed deposits pledged	1,000	1,000	-	-
Cash and cash equivalents	150,684	177,494	58,632	69,358
	159,173	187,630	59,391	70,037
Total assets	338,893	376,907	177,504	184,607
Equity attributable to owners of the Company				
Share capital	76,985	76,985	76,985	76,985
Reserves	11,617	21,390	1,204	1,204
Retained earnings	161,249	180,605	98,139	105,214
	249,851	278,980	176,328	183,403
Non-controlling interests	9,462	10,321	-	-
Total equity	259,313	289,301	176,328	183,403
Non-current liabilities				
Borrowings	7,046	7,634	-	-
Lease liabilities	39,742	41,623	-	-
Deferred income	168	80	-	-
Deferred tax liabilities	16,584	17,552	-	-
Provision for reinstatement cost	5,627	6,073	-	-
	69,167	72,962	-	-
Current liabilities				
Trade and other payables	8,029	12,259	462	511
Amounts due to subsidiaries	-	-	494	536
Current tax liabilities	198	221	220	157
Lease liabilities	1,198	1,196	-	-
Current borrowings	988	968	-	-
	10,413	14,644	1,176	1,204
Total liabilities	79,580	87,606	1,176	1,204
Total equity and liabilities	338,893	376,907	177,504	184,607

C. Statements of Changes in Equity (Group and Company)

The Group

2022

	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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2022	76,985	(7,580)	(1,228)	10,012	16,771	3,415	180,605	278,980	10,321	289,301
Changes in equity for the period:										
Dividend payable of 1.00 cents per share	-	-	-	-	-	-	(8,550)	(8,550)	-	(8,550)
Total comprehensive income/ (loss) for the period	-	-	-	-	-	(2,285)	(8,463)	(10,748)	(651)	(11,399)
At 30 June 2022	76,985	(7,580)	(1,228)	10,012	16,771	1,130	163,592	259,682	9,670	269,352
Changes in equity for the period:										
Total comprehensive income/ (loss) for the period	-	-	-	-	-	(7,488)	(2,343)	(9,831)	(208)	(10,039)
At 31 December 2022	76,985	(7,580)	(1,228)	10,012	16,771	(6,358)	161,249	249,851	9,462	259,313

2021

	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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2021	76,985	(7,507)	(1,228)	9,809	16,638	(2,884)	177,722	269,535	11,469	281,004
Changes in equity for the period:										
Purchase of own shares	-	(73)	-	-	-	-	-	(73)	-	(73)
Share-based payment transactions	-	-	-	203	-	-	-	203	-	203
Dividend payable of 1.00 cents per share	-	-	-	-	-	-	(8,551)	(8,551)	-	(8,551)
Total comprehensive income/ (loss) for the period	-	-	-	-	-	3,969	9,671	13,640	827	14,467
At 30 June 2021	76,985	(7,580)	(1,228)	10,012	16,638	1,085	178,842	274,754	12,296	287,050
Changes in equity for the period:										
Transfer to general reserve fund	-	-	-	-	133	-	(133)	-	-	-
Dividend to non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	(1,969)	(1,969)
Total comprehensive income/ (loss) for the period	-	-	-	-	-	2,330	1,896	4,226	(6)	4,220
At 31 December 2021	76,985	(7,580)	(1,228)	10,012	16,771	3,415	180,605	278,980	10,321	289,301

The Company

2022

	Share capital	Treasury shares	Capital reserve	Share option reserve	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2022	76,985	(7,580)	(1,228)	10,012	105,214	183,403
Dividend payable of 1.00 cents per share	-	-	-	-	(8,550)	(8,550)
Total comprehensive income/ (loss) for the period	-	-	-	-	(1,344)	(1,344)
At 30 June 2022	76,985	(7,580)	(1,228)	10,012	95,320	173,509
Total comprehensive income/ (loss) for the period	-	-	-	-	2,819	2,819
As at 31 December 2022	76,985	(7,580)	(1,228)	10,012	98,139	176,328

2021

	Share capital	Treasury shares	Capital reserve	Share option reserve	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2021	76,985	(7,507)	(1,228)	9,809	70,456	148,515
Purchase of own shares	-	(73)	-	-	-	(73)
Share-based payment transactions	-	-	-	203	-	203
Dividend payable of 1.00 cents per share	-	-	-	-	(8,551)	(8,551)
Total comprehensive income/ (loss) for the period	-	-	-	-	7,318	7,318
At 30 June 2021	76,985	(7,580)	(1,228)	10,012	69,223	147,412
Total comprehensive income/ (loss) for the period	-	-	-	-	35,991	35,991
As at 31 December 2021	76,985	(7,580)	(1,228)	10,012	105,214	183,403

D. Consolidated Statement of Cash Flows

	6 Months ended 31-12-2022	6 Months ended 31-12-2021	Full Year ended 31-12-2022	Full Year ended 31-12-2021
	S\$'000	S\$'000	\$'000	\$'000
Cash flows from operating activities				
(Loss)/ Profit before income tax	(2,098)	1,960	(11,586)	16,546
Adjustments for:				
Depreciation and amortisation expenses	4,699	5,642	9,626	11,350
Equity-settled share-based payment transactions	-	-	-	203
Loss on disposal of property, plant and equipment	186	12	181	20
Government grant utilised	(47)	(29)	(70)	(85)
Impairment loss on investment property	300	400	300	400
Impairment (write-back)/ loss on property, plant and equipment	(1,700)	1,700	(1,700)	1,700
Finance income	(1,961)	(2,288)	(4,187)	(4,401)
Finance cost	885	956	1,662	1,847
Exchange losses/ (gains)	4,106	(949)	5,399	(2,048)
Operating profit/ (loss) before working capital changes	4,370	7,404	(375)	25,532
Changes in working capital:				
Trade and other receivables	(228)	8,289	1,601	(1,873)
Inventories	117	58	129	20
Trade and other payables	676	3,309	(3,666)	3,743
Cash generated/ (used in) from operating activities	4,935	19,060	(2,311)	27,422
Income taxes paid	(478)	(5,548)	(675)	(7,156)
Net cash from/ (used in) operating activities	4,457	13,512	(2,986)	20,266
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,886)	(1,800)	(2,557)	(4,064)
Proceeds from disposal of property, plant and equipment	1	1	2	1
Interest received	3,059	2,676	3,726	4,390
Net cash from investing activities	1,174	877	1,171	327
Cash flows from financing activities				
Dividend paid to owners of company	-	-	(8,550)	(8,551)
Dividend paid to non-controlling interests	-	(1,969)	-	(1,969)
Repurchase of own shares	-	-	-	(73)
Proceeds from borrowings	-	6,100	400	6,100
Repayment of borrowings	(486)	(19,198)	(968)	(20,398)
Repayment of lease liability	(590)	(504)	(1,182)	(1,233)
Interest paid on lease liabilities	(711)	(971)	(1,444)	(1,720)
Interest paid on borrowings	(39)	(95)	(83)	(238)
Net cash used in financing activities	(1,826)	(16,637)	(11,827)	(28,082)
Net increase/ (decrease) in cash and cash equivalents	3,805	(2,248)	(13,642)	(7,489)
Cash and cash equivalents at beginning of the period	156,961	176,882	177,494	177,671
Effects of exchange rate fluctuations	(10,082)	2,860	(13,168)	7,312
Cash and cash equivalents at end of the period	150,684	177,494	150,684	177,494

E. Selected Notes to the Consolidated Financial Statements

1. Corporate information

Straco Corporation Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 10 Anson Road #30-15, International Plaza, Singapore 079903.

The principal activities of the Group and the Company are the development and management of tourism-related businesses.

2. Basis of preparation

The condensed interim financial statements for the six months ended 31 December 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies and methods of computation in the preparation of the interim financial statements for the current reporting period are consistent with those of the previous financial year ended 31 December 2021, which were in accordance with SFRS(I)s.

The condensed interim financial statements are presented, to the nearest thousand, in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements, estimates and assumptions

In preparing the condensed interim financial statements, management has made judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgement made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Segment information

Reportable segments of the Group consist of the Group's strategic business units that 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 Group has two reportable segments, as described below, which consists of the Group's strategic business units which are managed separately.

- Aquariums - This represents the operation of aquatic-related facilities and tourist attractions, including sea mammal performances in People's Republic of China ("PRC"). Retail, food and beverage are auxiliary goods and services arising from the operation of the above facilities.
- Giant Observation Wheel ("GOW") - This represents the operation of a circular giant observation structure, a complementary secondary attraction on site (the Time Capsule) and provision of commercial space in Singapore.

Other operations include the operation of cable-car facility. None of these segments meets any of the quantitative thresholds for determining reportable segments in 2022 and 2021.

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.

Information about reportable segments

	Aquariums		GOW		Others		Total	
	6 Months ended		6 Months ended		6 Months ended		6 Months ended	
	31-12-2022	31-12-2021	31-12-2022	31-12-2021	31-12-2022	31-12-2021	31-12-2022	31-12-2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenue	9,728	16,883	9,495	2,722	157	441	19,380	20,046
Interest income	1,325	1,816	75	2	6	22	1,406	1,840
Interest expense	185	207	700	749	-	-	885	956
Insurance claim recovery	-	-	-	28	-	-	-	28
Depreciation and amortisation	1,219	2,134	3,277	3,287	168	185	4,664	5,606
Impairment of investment property	-	-	300	400	-	-	300	400
Impairment of property, plant and equipment	-	-	-	1,700	-	-	-	1,700
Write-back of impairment of property, plant and equipment	-	-	1,700	-	-	-	1,700	-
Reportable segment profit/ (loss) before income tax	1,870	7,846	377	(6,060)	(629)	(390)	1,618	1,396
Capital expenditure	524	625	1,269	1,641	87	57	1,880	2,323

	Aquariums		GOW		Others		Total	
	Full Year ended		Full Year ended		Full Year ended		Full Year ended	
	31-12-2022	31-12-2021	31-12-2022	31-12-2021	31-12-2022	31-12-2021	31-12-2022	31-12-2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenue	14,396	32,932	13,521	7,178	275	1,801	28,192	41,911
Interest income	2,724	3,431	86	10	18	55	2,828	3,496
Interest expense	387	413	1,275	1,434	-	-	1,662	1,847
Insurance claim recovery	-	-	-	10,433	-	-	-	10,433
Depreciation and amortisation	2,748	4,229	6,458	6,686	350	364	9,556	11,279
Impairment of investment property	-	-	300	400	-	-	300	400
Impairment of property, plant and equipment	-	-	-	1,700	-	-	-	1,700
Write-back of impairment of property, plant and equipment	-	-	1,700	-	-	-	1,700	-
Reportable segment (loss)/ profit before income tax	(678)	15,366	(4,502)	(132)	(1,393)	25	(6,573)	15,259
Reportable segment assets	115,477	134,452	158,041	164,593	7,180	9,362	280,698	308,407
Capital expenditure	935	1,649	1,326	2,424	289	503	2,550	4,576
Reportable segment liabilities	16,011	17,051	103,844	106,490	5,597	5,961	125,452	129,502

Disaggregation of revenue

	Aquariums		GOW		Others		Total	
	6 Months ended		6 Months ended		6 Months ended		6 Months ended	
	31-12-2022	31-12-2021	31-12-2022	31-12-2021	31-12-2022	31-12-2021	31-12-2022	31-12-2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Type of goods or services:								
Ticketing	9,156	16,066	7,767	2,049	157	441	17,080	18,556
Retail	462	721	363	115	-	-	825	836
Food and beverages	110	96	514	131	-	-	624	227
Others	-	-	399	142	-	-	399	142
Rental from lease under investment property	-	-	452	285	-	-	452	285
	9,728	16,883	9,495	2,722	157	441	19,380	20,046
Geographical information:								
China	9,728	16,883	-	-	157	441	9,885	17,324
Singapore	-	-	9,495	2,722	-	-	9,495	2,722
	9,728	16,883	9,495	2,722	157	441	19,380	20,046

	Aquariums		GOW		Others		Total	
	Full Year ended		Full Year ended		Full Year ended		Full Year ended	
	31-12-2022	31-12-2021	31-12-2022	31-12-2021	31-12-2022	31-12-2021	31-12-2022	31-12-2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Type of goods or services:								
Ticketing	13,569	31,344	10,955	5,675	275	1,801	24,799	38,820
Retail	674	1,354	506	310	-	-	1,180	1,664
Food and beverages	153	234	870	460	-	-	1,023	694
Others	-	-	594	289	-	-	594	289
Rental from lease under investment property	-	-	596	444	-	-	596	444
	14,396	32,932	13,521	7,178	275	1,801	28,192	41,911
Geographical information:								
China	14,396	32,932	-	-	275	1,801	14,671	34,733
Singapore	-	-	13,521	7,178	-	-	13,521	7,178
	14,396	32,932	13,521	7,178	275	1,801	28,192	41,911

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

i) Segment profits or loss

	6 Months ended		Full Year ended	
	31-12-2022	31-12-2021	31-12-2022	31-12-2021
	\$'000	\$'000	\$'000	\$'000
Profit or loss				
Total profit/ (loss) for reportable segments	1,618	1,396	(6,573)	15,259
Unallocated amounts:				
- Head office and corporate expenses	(5,418)	(1,816)	(8,271)	(3,589)
- Head office and corporate income	711	1,457	1,515	2,878
- Elimination on consolidation	991	923	1,743	1,998
Consolidated (loss)/ profit before income tax	(2,098)	1,960	(11,586)	16,546

ii) Segment assets and liabilities

	31-12-2022	31-12-2021
	\$'000	\$'000
Assets		
Total assets for reportable segments	280,698	308,407
Unallocated head office and corporate assets:		
- Property, plant and equipment	1,806	1,867
- Right-of-use assets	3	6
- Loan and advances to subsidiaries	40,250	36,650
- Other amounts due from subsidiaries	10,100	10,251
- Cash and short-term bank deposits	60,580	71,345
- Others	362	276
Elimination on consolidation	(54,906)	(51,895)
Consolidated total assets	338,893	376,907
Liabilities		
Total liabilities for reportable segments	125,452	129,502
Unallocated head office and corporate liabilities:		
- Other payables and accruals	719	919
- Amounts due to subsidiaries	5,367	5,792
- Lease liabilities	3	6
- Deferred tax liabilities	2,681	3,053
- Current tax liabilities	264	229
Elimination on consolidation	(54,906)	(51,895)
Consolidated total liabilities	79,580	87,606

iii) Other material items

	Reportable segment totals	Unallocated corporate amounts	Consolidation eliminations	Consolidated total
	\$'000	\$'000	\$'000	\$'000
6 Months ended 31-12-2022				
Interest income	(1,406)	(710)	155	(1,961)
Interest expense	885	-	-	885
Capital expenditure	1,880	6	-	1,886
Depreciation and amortisation	4,664	35	-	4,699
Impairment of investment property	300	-	-	300
Write-back of impairment of property, plant and equipment	(1,700)	-	-	(1,700)
6 Months ended 31-12-2021				
Interest income	(1,840)	(600)	152	(2,288)
Interest expense	956	-	-	956
Insurance claim recovery	(28)	-	-	(28)
Capital expenditure	2,323	3	-	2,326
Depreciation and amortisation	5,606	36	-	5,642
Impairment of investment property	400	-	-	400
Impairment of property, plant and equipment	1,700	-	-	1,700

	Reportable segment totals	Unallocated corporate amounts	Consolidation eliminations	Consolidated total
	\$'000	\$'000	\$'000	\$'000
12 Months ended 31-12-2022				
Interest income	(2,828)	(1,514)	155	(4,187)
Interest expense	1,662	-	-	1,662
Capital expenditure	2,550	7	-	2,557
Depreciation and amortisation	9,556	70	-	9,626
Impairment of investment property	300	-	-	300
Write-back of impairment of property, plant and equipment	(1,700)	-	-	(1,700)
Full Year ended 31-12-2021				
Interest income	(3,496)	(1,057)	152	(4,401)
Interest expense	1,847	-	-	1,847
Insurance claim recovery	(10,433)	-	-	(10,433)
Capital expenditure	4,576	14	-	4,590
Depreciation and amortisation	11,279	71	-	11,350
Impairment of investment property	400	-	-	400
Impairment of property, plant and equipment	1,700	-	-	1,700

Geographical information

The assets and operations of the Group are primarily located in China and Singapore. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the facilities. Segment assets are based on the geographical location of the assets.

	Revenue	Non-current assets
	\$'000	\$'000
As at 31-12-2022		
China	14,671	33,053
Singapore	13,521	146,667
	28,192	179,720
As at 31-12-2021		
China	34,733	38,125
Singapore	7,178	151,152
	41,911	189,277

There is no concentration of revenue from a single external customer.

4. Profit before taxation

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

	6 Months ended		Full Year ended	
	31-12-2022	31-12-2021	31-12-2022	31-12-2021
	\$'000	\$'000	\$'000	\$'000
Depreciation expenses	4,695	5,638	9,618	11,342
Amortisation of intangible assets	4	4	8	8
Impairment loss on investment property	300	400	300	400
Impairment (write-back)/ loss on property, plant and equipment	(1,700)	1,700	(1,700)	1,700
Insurance claim recovery	-	(28)	-	(10,433)
Interest income	(1,961)	(2,288)	(4,187)	(4,401)
Interest expense	885	956	1,662	1,847
Foreign exchange losses/ (gains)	4,073	(968)	5,371	(2,062)
Loss on disposal of property, plant and equipment	186	12	181	20
Government grant	(449)	(1,599)	(585)	(2,509)

- a) Depreciation expenses comprise depreciation of property, plant and equipment and depreciation of investment property.
- b) Impairment loss is recognised on investment property at Straco Leisure Pte Ltd, as the fair values derived from the valuation done was lower than carrying amounts.
- c) Write-back of impairment loss is recognised on property, plant and equipment at Straco Leisure Pte Ltd, as the fair values derived from the valuation done was higher than carrying amounts.
- d) Interest income is mainly from fixed deposits placed with financial institutions.
- e) Interest expense comprises interest on bank borrowing, interest on lease liabilities, as well as interest on reinstatement cost.
- f) Foreign exchange losses/ (gains) arise mainly due to the movement of Renminbi ("RMB") against Singapore Dollars ("SGD").
- g) Government grant includes amount received or recognized under the Singapore government's job or wage support schemes and government subsidies received by the China subsidiaries.

5. Income taxes

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	6 Months ended		Full Year ended	
	31-12-2022	31-12-2021	31-12-2022	31-12-2021
	\$'000	\$'000	\$'000	\$'000
Current income tax expense	634	3,935	634	6,334
Deferred income tax	(490)	(3,770)	(967)	(1,948)
Under provision of income tax in prior financial period	-	-	15	27
	144	165	(318)	4,413

6. Earnings per share

(Losses)/ earnings per share	2H ended		Full Year ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
(a) Based on the number of ordinary shares in issue (cents)	(0.27)	0.22	(1.26)	1.35
(b) On fully diluted basis (cents)	(0.27)	0.22	(1.26)	1.35

The calculation of basic losses per share for 2H and full year ended 31 December 2022 are based on the net losses attributable to shareholders for the 2H and full year ended 31 December 2022 divided by the weighted average number of ordinary shares outstanding of 854,965,680 and 854,965,680 respectively.

The calculation of basic earnings per share for 2H and full year ended 31 December 2021 are based on the net profits attributable to shareholders for the 2H and full year ended 31 December 2021 divided by the weighted average number of ordinary shares outstanding of 854,965,680 and 855,022,036 respectively.

The calculation of diluted losses per share for 2H and full year ended 31 December 2022 are based on the net losses attributable to shareholders for the 2H and full year ended 31 December 2022 divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 855,132,555 and 855,152,274 respectively.

The calculation of diluted earnings per share for 2H and full year ended 31 December 2021 are based on the net profits attributable to shareholders for the 2H and full year ended 31 December 2021 divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 855,247,024 and 855,329,688 respectively.

7. Net asset value

	Group		Company	
	31-12-2022	31-12-2021	31-12-2022	31-12-2021
Net asset value per ordinary share (cents) based on number of issued shares excluding treasury shares at the end of:	29.22	32.63	20.62	21.45

Net asset value per ordinary share was calculated based on 854,965,680 ordinary shares issued (excluding treasury shares) as at 31 December 2022 and 854,965,680 ordinary shares issued (excluding treasury shares) as at 31 December 2021.

8. Dividends

	2022	2021
	\$'000	\$'000
Ordinary dividends paid:		
Dividend paid in respect of the previous financial year of 1.0 cent (2021: 1.0 cents) per share	8,550	8,551

It is the Group's practice to recommend final dividend payment annually after its financial year ends.

9. Financial assets and financial liabilities

The carrying amounts of the financial assets and financial liabilities are as follows:

	Group		Company	
	At 31-12-2022 \$'000	At 31-12-2021 \$'000	At 31-12-2022 \$'000	At 31-12-2021 \$'000
Financial assets				
Cash and cash equivalents	151,684	178,494	58,632	69,358
Trade and other receivables	3,577	5,523	731	649
Loans and advances to subsidiaries	-	-	40,250	36,650
Financial assets at amortised cost	155,261	184,017	99,613	106,657
Financial liabilities				
Trade and other payables	(6,077)	(7,802)	(956)	(1,047)
Lease liabilities	(40,940)	(42,819)	-	-
Borrowings	(8,034)	(8,602)	-	-
Financial liabilities at amortised cost	(55,051)	(59,223)	(956)	(1,047)

10. Investment property

	At 31-12-2022 \$'000	At 31-12-2021 \$'000
Cost		
Beginning of financial year	27,643	27,643
Adjustment	(95)	-
End of period/ financial year	27,548	27,643
Accumulated depreciation and impairment		
Beginning of financial year	8,162	6,973
Depreciation charge	791	789
Impairment	300	400
End of period/ financial year	9,253	8,162
Net book value	18,295	19,481

Investment property comprises lettable retail units at Singapore Flyer premise that are leased to third parties under operating leases. Investment property is measured at cost less accumulated depreciation and accumulated impairment losses. Fair value assessment is performed annually by an external, independent and qualified valuer at the end of each financial year. As at 31 December 2022, the fair value of investment property was determined to be approximately \$19.5 million (2021: \$19.5 million).

The fair value of the Group's investment property is classified within Level 3 of the fair value hierarchy and has been derived using the discounted cash flow approach and capitalisation approach. The most significant input in each valuation approach is the discount rate and capitalisation rate of 8.0% and 5.5% respectively.

11. Property, plant and equipment

During the six months ended 31 December 2022, the Group acquired assets amounting to \$1.89 million (31 December 2021: \$2.33 million).

12. Intangible assets and goodwill

	Group		
	<u>Goodwill on consolidation</u>	<u>Logo and trademark</u>	<u>Total</u>
	\$'000	\$'000	\$'000
<u>At 31 December 2022</u>			
Cost	1,419	3,339	4,758
Accumulated amortisation	-	(3,287)	(3,287)
Net book value	1,419	52	1,471
<u>At 31 December 2021</u>			
Cost	1,419	3,347	4,766
Accumulated amortisation	-	(3,282)	(3,282)
Net book value	1,419	65	1,484

Impairment test for goodwill arising on consolidation

Goodwill is allocated to the Group's cash-generating units ("CGUs") for a subsidiary in the PRC, Underwater World Xiamen Co Ltd, whose principal activity is the operation of an underwater aquarium.

The recoverable amount of this CGU is based on its value-in-use and is determined by discounting the future cash flows to be generated from the continuing use of the CGU.

No impairment loss was required for the carrying amount of goodwill as at 31 December 2022 and 30 December 2021 as the recoverable amount was in excess of the carrying amount.

13. Borrowings

	Group			
	At 31-12-2022		At 31-12-2021	
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
	\$'000	\$'000	\$'000	\$'000
Amount payable in one year or less, or on demand	988	-	968	-
Amount payable after one year	2,646	4,400	3,634	4,000

The bank borrowings of the Group are secured by corporate guarantee from the Company.

14. Share Capital

There was no share buy-back in 2H2022.

The Company's issued and fully paid-up shares as at 31 December 2022 comprised 854,965,680 (31 December 2021: 854,965,680) ordinary shares and 13,963,900 (31 December 2021: 13,963,900) treasury shares.

No share options were exercised nor had lapsed or expired in 2H2022. As at 31 December 2022, options to subscribe for 21,910,000 (31 December 2021: 24,370,000) ordinary shares remain outstanding.

(i) *Total number of issued shares excluding treasury shares*

	As at 31-12-2022	As at 31-12-2021
Total number of issued shares	868,929,580	868,929,580
Less: Treasury shares	(13,963,900)	(13,963,900)
Total number of issued shares excluding treasury shares	854,965,680	854,965,680

(ii) *Sales, transfer, disposal, cancellation and/or use of treasury shares*

Treasury shares	No. of shares	\$'000
Balance as at 30-06-2022	13,963,900	7,580
No. of shares purchased	-	-
No. of shares transferred on exercise of share option	-	-
Balance as at 31-12-2022	13,963,900	7,580

F. Other Information required by Listing Rule Appendix 7.2

1. Review

The Condensed Consolidated Statement of Financial Position of Straco Corporation Limited and its subsidiaries as at 31 December 2022 and the related Condensed Consolidated Profit or Loss and Other Comprehensive Income, Condensed Consolidated Statement of Changes in Equity and Condensed Consolidated Statement of Cash Flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Revenue

In the second half of FY2022, the Group generated revenue of \$19.38 million, 3.3% lower than the corresponding period in 2H2021. Visitor numbers and revenue of our flagship attraction, Shanghai Ocean Aquarium (“SOA”) decreased amid strict Covid-19 measures of the Chinese municipal authorities due to its zero-Covid policy. On the other hand, revenue from Singapore Flyer increased significantly with increased visitor arrivals as Singapore transit to “living with Covid” and progressively eased various community and border measures.

Overall visitation to all our attractions totalled 0.65 million visitors for 2H2022, about 10% lower than the corresponding period of 0.72 million visitors in 2H2021.

Cumulatively, overall revenue for the full year of FY2022 amounted to \$28.19 million, 32.7% lower than FY2021, impacted by the prolonged closures of SOA and Singapore Flyer in the first half of 2022.

Other income for 2H2022 decreased from corresponding period, mainly due to lower amounts from government grants being received as the land lease relief and job support schemes were discontinued in 2022, and lower wage support grants were recognised; while income from concessionaire sales and interest income also decreased.

Operational Results

Total Expenses (excluding finance cost) for 2H2022 was \$23.31 million, 7.7% higher than 2H2021. Exchange loss of \$4.07 million was recorded in this period, as Renminbi weakened further against the Singapore Dollar in the current period; while an exchange gain of \$0.97 million was recorded in 2H2021. Excluding the exchange losses/ gains in both periods, total expenses for 2H2022 would have been \$19.24 million; 14.9% lower than 2H2021. There was a write-back of impairment loss amounting to \$1.7 million on the property, plant and equipment at Singapore Flyer as the fair value as determined by the independent valuer was higher than the carrying amount.

Depreciation and amortisation expenses decreased, mainly due to certain property, plant and equipment being fully depreciated. Changes in inventories and purchases of goods increased, mainly due to the increase at Singapore Flyer as retail and F&B sales increased, as well as an amount of \$69,000 being written off for obsolete giftshop merchandise. Professional and consultancy expenses was significantly higher, as there was a refund of deposit amounting to \$0.11 million for the arbitration proceedings related to the insurance claim in 2H2021. Loss on disposal of property, plant and equipment increased significantly, mainly due to the write-off of 24 units of old drive shafts amounting to \$0.16 million at Singapore Flyer. Rental expense decreased, mainly due to the lower variable land rental at SOA as revenue generated in 2H2022 was half of 2H2021. Property and other taxes were \$0.28 million compared to negative amount in 2H2021 which was due to a refund of \$0.8 million for 2021 taxes paid following a revision in annual value of the Giant Observation Wheel (Singapore Flyer) in 2H2021. Repair and maintenance expenses increased, mainly due to the expenses relating to the spoke cable issues as well as the reinstatement works for certain vacant units and the outdoor recreation areas at Singapore Flyer. Utilities expense increased compared to 2H2021, mainly due to significantly higher expenses at Singapore Flyer as

electricity tariff more than doubled upon renewal in October 2022 and higher consumption due to the extended operating hours and subsequent resumption to full week operations in 2H2022 compared to 2H2021.

Loss before tax was \$2.10 million for 2H2022, compared to profit before tax of \$1.96 million recorded in 2H2021. Taking away the exchange losses recorded and the one-off impairment provision and write-back of impairment, profit before tax for 2H2022 would have been approximately \$0.58 million.

Cumulatively, loss before tax was \$11.59 million for FY2022, compared to profit before tax of \$16.55 million in FY2021; mainly attributable to lower revenue generated, absence of arbitration award as in FY2021, and significant exchange loss recorded, partially offset by the write-back of impairment on property, plant and equipment.

Balance Sheet items

Trade and other receivables decreased 32.2% from \$6.2 million at 31 December 2021 to \$4.2 million at 31 December 2022, mainly due to last year's trade receivable relating to sales of SingaporeRediscover Vouchers ("SRV") being received via offset against deposits received from the online travel agencies in the current period, Singapore Tourism Board's land rental waiver for October 2021 recognised in last year as receivable was reversed upon refund being received in the current period, and grant receivable under the Job Support Scheme recognised in last year was received in the current period; offset by increase in fixed deposits interest receivable recognised, additional wage support grant receivable recognised, and higher GST input tax claimable in the current period.

Other current assets increased 81.8% from \$0.71 million at 31 December 2021 to \$1.28 million at 31 December 2022, mainly due to increase at Singapore Flyer arising from progress payment for certain system upgrading and report customisation, down payment for locked coil cable assemblies, and advance payment for purchase of Friction Rollers.

Reserves decreased 45.7% from \$21.39 million at 31 December 2021 to \$11.62 million at 31 December 2022, due to the translation loss of \$9.77 million arising from the weaker RMB against SGD at the end of the current year compared to the end of last year.

Deferred income increased 110% from \$0.08 million at 31 December 2021 to \$0.17 million at 31 December 2022, due to government subsidies amounting to \$0.17 million received by SOA being transferred to deferred income upon the construction of the related property, plant and equipment being completed; offset by the periodic recognition of deferred income to profit & loss in the current period.

Trade and other payables decreased 34.5% from \$12.26 million at 31 December 2021 to \$8.03 million at 31 December 2022, mainly due to decrease in deposits from online travel agencies for the SRV scheme which were offset against trade receivables in current period and that the SRV scheme has ceased, decrease in deferred revenue upon SRV tickets being redeemed in the current period and unused tickets being recognised as revenue upon expiry of the redemption period in September, as well as certain expenses accrued in last year has been paid in current period.

Cash flow Statement

The Group generated net cash of \$4.46 million from operating activities in 2H2022, compared to net cash generated of \$13.51 million in 2H2021, which was partly attributable to the arbitration award for an insurance claim received then. Instalment repayment of borrowings and interest in 2H2022 totalled \$0.53 million for the temporary bridging loan taken up by Singapore Flyer in July 2021, compared to the repayment of \$19.3 million in 2H2021 which was mainly for the term loan taken up in 2014 for the acquisition of Singapore Flyer.

As at 31 December 2022, the Group's cash and cash equivalent balance amounted to \$150.68 million.

3. Whether a forecast, or 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 period under review, except for the business update provided on 18 November 2022.

4. 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 3% for the full year of 2022, impacted by months of widespread Covid lockdowns and downturn in the property market. In March 2022, multiple cities in China began to struggle with the worst Covid-19 outbreak since early 2020, which led to the series of lockdowns in major cities. Stringent Covid-19 measures began to take a toll on the Chinese economy, with Shanghai being effectively in a city-wide lockdown that stretched from April to June, while shorter lockdowns in Shenzhen and Beijing also contributed to the economic hit.

Singapore's economy grew by 3.6% in 2022, according to the Ministry of Trade and Industry ("MTI"). On the tourism sector, the Singapore Tourism Board ("STB") had reported that Singapore recorded 6.3 million international visitor arrivals in 2022, and estimated tourism receipts of \$14 billion. STB has forecasted international visitor arrivals to hit 12 million to 14 million in 2023, with full tourism recovery expected by 2024. The government has also set aside \$500 million to boost the tourism industry, of which \$110 million will be injected for tourism recovery in 2023.

With China relaxing its stringent Covid control measures from early December last year and Singapore adjusting the Disease Outbreak Response System Condition (DORSCON) from yellow to green in February this year, we are cautiously optimistic of a rebound in visitor numbers to our attractions in 2023. However, uncertainties in the global economy remain, as impact of higher interest rates, risk of further escalations of the war in Ukraine and geopolitical tensions will continue to dampen growth. The Group will continue to monitor, adapt and manage the impact on its operations.

5. Dividend information

(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)	1.00 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)	1.00 cent per ordinary share
Tax Rate	Tax Exempt

(c) Date payable

To be announced.

(d) Books closure date

To be announced.

6. Interested person transaction

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

7. 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.

8. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

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	42	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	41	Son of Mr Wu Hsioh Kwang and Mdm Chua Soh Har	Senior Vice President (Corporate Development and Risk Management), 2018	Not applicable
			Alternate Director to Mdm Chua Soh Har, 2014	

BY ORDER OF THE BOARD,

Lotus Isabella Lim Mei Hua
Company Secretary
1 March 2023