

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

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE FIRST HALF ENDED 30 JUNE 2023**

**Contents**

	Section
Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income	A
Condensed Interim Statement of Financial Position	B
Condensed Interim Statements of Changes in Equity	C
Condensed Interim Consolidated Statement of Cash Flows	D
Selected Notes to the Condensed Interim Consolidated Financial Statements	E
Other information required by Listing Rule Appendix 7.2	F

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

	1H ended		
	30/06/2023	30/06/2022	Change
	\$'000	\$'000	%
Revenue	32,080	8,812	264.0
Other income			
- Finance income	1,979	2,226	(11.1)
- Others	672	364	84.6
Expenses			
- Depreciation and amortisation expense	(4,682)	(4,927)	(5.0)
- Changes in inventories and purchases of goods	(726)	(260)	179.2
- Professional and consultancy expense	(377)	(273)	38.1
- Sales and marketing expenses	(528)	(368)	43.5
- Exchange losses - net	(1,494)	(1,298)	15.1
- (Loss)/ Gain on disposal of property, plant and equipment	(22)	5	n.m.
- Rental expenses	(1,062)	(214)	396.3
- Property and other taxes	(317)	(341)	(7.0)
- Repair and maintenance expenses	(1,981)	(1,528)	29.6
- Staff cost	(9,149)	(8,412)	8.8
- Utilities expense	(1,778)	(1,179)	50.8
- Other expenses	(1,633)	(1,318)	23.9
Operating profit/ (loss)	10,982	(8,711)	n.m.
Finance costs	(729)	(777)	(6.2)
Profit/ (Loss) before income tax	10,253	(9,488)	n.m.
Tax expense	(3,500)	462	n.m.
<b>Profit/ (Loss) for the period</b>	<b>6,753</b>	<b>(9,026)</b>	<b>n.m.</b>
<b>Other comprehensive loss for the period, net of tax</b>			
Translation differences relating to financial statements of foreign subsidiaries	(3,475)	(2,373)	46.4
<b>Other comprehensive loss for the period, net of tax</b>	<b>(3,475)</b>	<b>(2,373)</b>	<b>46.4</b>
<b>Total comprehensive income/ (loss) for the period</b>	<b>3,278</b>	<b>(11,399)</b>	<b>n.m.</b>
<b>Profit/ (Loss) attributable to:</b>			
Owners of the Company	6,377	(8,463)	n.m.
Non-controlling interests	376	(563)	n.m.
<b>Profit/ (Loss) for the period</b>	<b>6,753</b>	<b>(9,026)</b>	<b>n.m.</b>
<b>Total comprehensive income/ (loss) attributable to:</b>			
Owners of the Company	3,043	(10,748)	n.m.
Non-controlling interests	235	(651)	n.m.
<b>Total comprehensive income/ (loss) for the period</b>	<b>3,278</b>	<b>(11,399)</b>	<b>n.m.</b>

n.m. – not meaningful

## B. Condensed Interim Statement of Financial Position

	Group		Company	
	As at	As at	As at	As at
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
	\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>				
Property, plant and equipment	156,931	159,954	1,763	1,792
Investment property	17,903	18,295	-	-
Investments in subsidiaries	-	-	76,071	76,071
Loans and advances to subsidiaries	-	-	40,250	40,250
Intangible assets	1,497	1,471	-	-
	<b>176,331</b>	<b>179,720</b>	<b>118,084</b>	<b>118,113</b>
<b>Current assets</b>				
Inventories	2,067	2,008	-	-
Trade and other receivables	4,727	4,199	411	312
Loans and receivables from subsidiaries	-	-	416	417
Other current assets	1,471	1,282	27	30
Fixed deposits pledged	1,000	1,000	-	-
Cash and cash equivalents	150,028	150,684	48,216	58,632
	<b>159,293</b>	<b>159,173</b>	<b>49,070</b>	<b>59,391</b>
<b>Total assets</b>	<b>335,624</b>	<b>338,893</b>	<b>167,154</b>	<b>177,504</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	76,985	76,985	76,985	76,985
Reserves	8,439	11,617	1,360	1,204
Retained earnings	159,071	161,249	87,880	98,139
	<b>244,495</b>	<b>249,851</b>	<b>166,225</b>	<b>176,328</b>
<b>Non-controlling interests</b>	<b>9,697</b>	<b>9,462</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>254,192</b>	<b>259,313</b>	<b>166,225</b>	<b>176,328</b>
<b>Non-current liabilities</b>				
Borrowings	6,544	7,046	-	-
Lease liabilities	38,908	39,742	-	-
Deferred income	143	168	-	-
Deferred tax liabilities	17,125	16,584	-	-
Provision for reinstatement cost	5,627	5,627	-	-
	<b>68,347</b>	<b>69,167</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>				
Trade and other payables	8,912	8,029	340	462
Amounts due to subsidiaries	-	-	479	494
Current tax liabilities	1,970	198	110	220
Lease liabilities	1,205	1,198	-	-
Current borrowings	998	988	-	-
	<b>13,085</b>	<b>10,413</b>	<b>929</b>	<b>1,176</b>
<b>Total liabilities</b>	<b>81,432</b>	<b>79,580</b>	<b>929</b>	<b>1,176</b>
<b>Total equity and liabilities</b>	<b>335,624</b>	<b>338,893</b>	<b>167,154</b>	<b>177,504</b>

## C. Condensed Interim Statements of Changes in Equity

### The Group

2023

	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
<b>At 1 January 2023</b>	76,985	(7,580)	(1,228)	10,012	16,771	(6,358)	161,249	249,851	9,462	259,313
Changes in equity for the period:										
Treasury shares reissued	-	272	(116)	-	-	-	-	156	-	156
Dividend payable of 1.00 cents per share	-	-	-	-	-	-	(8,555)	(8,555)	-	(8,555)
Total comprehensive income/ (loss) for the period	-	-	-	-	-	(3,334)	6,377	3,043	235	3,278
<b>At 30 June 2023</b>	<b>76,985</b>	<b>(7,308)</b>	<b>(1,344)</b>	<b>10,012</b>	<b>16,771</b>	<b>(9,692)</b>	<b>159,071</b>	<b>244,495</b>	<b>9,697</b>	<b>254,192</b>

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
<b>At 1 January 2022</b>	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 paid 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)
<b>At 30 June 2022</b>	<b>76,985</b>	<b>(7,580)</b>	<b>(1,228)</b>	<b>10,012</b>	<b>16,771</b>	<b>1,130</b>	<b>163,592</b>	<b>259,682</b>	<b>9,670</b>	<b>269,352</b>

### The Company

2023

	Share capital	Treasury shares	Capital reserve	Share option reserve	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2023</b>	76,985	(7,580)	(1,228)	10,012	98,139	176,328
Treasury shares re-issued	-	272	(116)	-	-	156
Dividend payable of 1.00 cents per share	-	-	-	-	(8,555)	(8,555)
Total comprehensive income/ (loss) for the period	-	-	-	-	(1,704)	(1,704)
<b>At 30 June 2023</b>	<b>76,985</b>	<b>(7,308)</b>	<b>(1,344)</b>	<b>10,012</b>	<b>87,880</b>	<b>166,225</b>

2022

	Share capital	Treasury shares	Capital reserve	Share option reserve	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2022</b>	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)
<b>At 30 June 2022</b>	<b>76,985</b>	<b>(7,580)</b>	<b>(1,228)</b>	<b>10,012</b>	<b>95,320</b>	<b>173,509</b>

#### D. Condensed Interim Consolidated Statement of Cash Flows

	<b>6 Months ended 30/06/2023</b>	<b>6 Months ended 30/06/2022</b>
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Profit/ (Loss) before income tax	10,253	(9,488)
Adjustments for:		
Depreciation and amortisation expenses	4,682	4,927
Loss/ (Gain) on disposal of property, plant and equipment	22	(5)
Government grant utilised	(31)	(23)
Finance income	(1,979)	(2,226)
Finance cost	729	777
Exchange losses	1,506	1,293
Operating profit/ (loss) before working capital changes	15,182	(4,745)
Changes in working capital:		
Trade and other receivables	(960)	1,829
Inventories	(92)	12
Trade and other payables	1,016	(4,342)
Cash generated/ (used in) from operating activities	15,146	(7,246)
Income taxes paid	(1,138)	(197)
Net cash from/ (used in) operating activities	14,008	(7,443)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,286)	(671)
Payment for intangible assets	(37)	-
Government grant received	10	-
Proceeds from disposal of property, plant and equipment	7	1
Interest received	2,126	667
Net cash used in investing activities	(180)	(3)
<b>Cash flows from financing activities</b>		
Dividend paid to owners of company	(8,555)	(8,550)
Proceeds from exercise of share options	156	-
Proceeds from borrowings	-	400
Repayment of borrowings	(492)	(482)
Repayment of lease liability	(592)	(592)
Interest paid on lease liabilities	(695)	(733)
Interest paid on borrowings	(34)	(44)
Net cash used in financing activities	(10,212)	(10,001)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	3,616	(17,447)
Cash and cash equivalents at beginning of the period	150,684	177,494
Effects of exchange rate fluctuations	(4,272)	(3,086)
<b>Cash and cash equivalents at end of the period</b>	150,028	156,961

## **E. Selected Notes to the Condensed Interim 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 30 June 2023 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 2022.

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 2022, 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 revised standards adopted by the Group**

The Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) (“INT SFRS(I)”) that are relevant to the Group and effective for the current financial period. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I). The adoption of these new or amended SFRS(I) did not result in substantial change to the Group’s accounting policies and had no material effect on the financial results or position.

#### **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 2022.

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 2023 and 2022.

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	
	1H ended		1H ended		1H ended		1H ended	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenue	19,472	4,668	10,987	4,026	1,621	118	32,080	8,812
Interest income	1,118	1,399	143	11	4	12	1,265	1,422
Interest expense	176	202	553	575	-	-	729	777
Depreciation and amortisation	1,158	1,529	3,318	3,181	172	182	4,648	4,892
Reportable segment (loss)/ profit before income tax	10,875	(2,548)	(97)	(4,879)	717	(764)	11,495	(8,191)
Reportable segment assets	121,334	128,471	158,122	159,458	7,604	8,271	287,060	296,200
Capital expenditure	428	411	1,623	57	234	202	2,285	670
Reportable segment liabilities	17,116	15,925	104,142	105,756	5,600	5,708	126,858	127,389

#### Disaggregation of revenue

	Aquariums		GOW		Others		Total	
	1H ended		1H ended		1H ended		1H ended	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Type of goods or services:</b>								
Ticketing	18,242	4,413	8,994	3,188	1,621	118	28,857	7,719
Retail	996	212	451	143	-	-	1,447	355
Food and beverages	234	43	900	356	-	-	1,134	399
Others	-	-	181	195	-	-	181	195
Rental from lease under investment property	-	-	461	144	-	-	461	144
	19,472	4,668	10,987	4,026	1,621	118	32,080	8,812
<b>Geographical information:</b>								
China	19,472	4,668	-	-	1,621	118	21,093	4,786
Singapore	-	-	10,987	4,026	-	-	10,987	4,026
	19,472	4,668	10,987	4,026	1,621	118	32,080	8,812

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

i) Segment profits or loss

	1H ended	
	30/06/2023	30/06/2022
	\$'000	\$'000
<b>Profit or loss</b>		
Total profit/ (loss) for reportable segments	11,495	(8,191)
Unallocated amounts:		
- Head office and corporate expenses	(3,195)	(2,853)
- Head office and corporate income	715	804
- Elimination on consolidation	1,238	752
Consolidated profit/ (loss) before income tax	10,253	(9,488)

ii) Segment assets and liabilities

	As at	As at
	30/06/2023	30/06/2022
	\$'000	\$'000
<b>Assets</b>		
Total assets for reportable segments	287,060	296,200
Unallocated head office and corporate assets:		
- Property, plant and equipment	1,774	1,834
- Right-of-use assets	2	5
- Loan and advances to subsidiaries	40,250	40,250
- Other amounts due from subsidiaries	10,063	10,254
- Cash and short-term bank deposits	50,560	57,162
- Others	495	600
Elimination on consolidation	(54,580)	(55,247)
Consolidated total assets	335,624	351,058
<b>Liabilities</b>		
Total liabilities for reportable segments	126,858	127,389
Unallocated head office and corporate liabilities:		
- Other payables and accruals	682	690
- Amounts due to subsidiaries	5,236	5,702
- Lease liabilities	2	5
- Deferred tax liabilities	3,102	3,052
- Current tax liabilities	132	115
Elimination on consolidation	(54,580)	(55,247)
Consolidated total liabilities	81,432	81,706



iii) Other material items

	<b>Reportable segment totals</b>	<b>Unallocated corporate amounts</b>	<b>Consolidated total</b>
	\$'000	\$'000	\$'000
<b><u>1H ended 30/06/2023</u></b>			
Interest income	(1,265)	(714)	(1,979)
Interest expense	729	-	729
Capital expenditure	2,285	1	2,286
Depreciation and amortisation	4,648	34	4,682
<b><u>1H ended 30/06/2022</u></b>			
Interest income	(1,422)	(804)	(2,226)
Interest expense	777	-	777
Capital expenditure	670	1	671
Depreciation and amortisation	4,892	35	4,927

*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.

	<b>Revenue</b>	<b>Non-current assets</b>
	\$'000	\$'000
<b><u>As at 30/06/2023</u></b>		
China	21,093	31,391
Singapore	10,987	144,940
	<b>32,080</b>	<b>176,331</b>
<b><u>As at 30/06/2022</u></b>		
China	4,786	36,303
Singapore	4,026	148,046
	<b>8,812</b>	<b>184,349</b>

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:

	1H ended	
	30/06/2023	30/06/2022
	\$'000	\$'000
Depreciation expenses	4,674	4,923
Amortisation of intangible assets	8	4
Interest income	(1,979)	(2,226)
Interest expense	729	777
Foreign exchange losses	1,494	1,298
Loss/ (Gain) on disposal of property, plant and equipment	22	(5)
Government grant	(101)	(136)

- a) Depreciation expenses comprise depreciation of property, plant and equipment and depreciation of investment property.
- b) Interest income is mainly from fixed deposits placed with financial institutions.
- c) Interest expense comprises interest on bank borrowing and interest on lease liabilities.
- d) Foreign exchange losses arise mainly due to the movement of Renminbi ("RMB") against Singapore Dollars ("SGD").

#### 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:

	1H ended	
	30/06/2023	30/06/2022
	\$'000	\$'000
Current income tax expense	2,953	-
Deferred income tax expense/ (reversed)	540	(477)
Under provision of income tax in prior financial period	7	15
	3,500	(462)

#### 6. Earnings per share

Earnings/(losses) per share	1H ended	
	30/06/2023	30/06/2022
(a) Based on the number of ordinary shares in issue (cents)	0.75	(0.99)
(b) On fully diluted basis (cents)	0.75	(0.99)

The calculation of basic earnings per share for 1H ended 30 June 2023 is based on the net profits attributable to shareholders for the 1H ended 30 June 2023 divided by the weighted average number of ordinary shares outstanding of 855,128,663.

The calculation of basic losses per share for 1H ended 30 June 2022 is based on the net losses attributable to shareholders for the 1H ended 30 June 2022 divided by the weighted average number of ordinary shares outstanding of 854,965,680.

The calculation of diluted earnings per share for 1H ended 30 June 2023 is based on the net profits attributable to shareholders for the 1H ended 30 June 2023 divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 855,302,512.

The calculation of diluted losses per share for 1H ended 30 June 2022 is based on the net losses attributable to shareholders for the 1H ended 30 June 2022 divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 855,155,118.

## 7. Net asset value

	Group		Company	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
Net asset value per ordinary share (cents) based on number of issued shares excluding treasury shares at the end of:	28.58	29.22	19.43	20.62

Net asset value per ordinary share was calculated based on 855,465,680 ordinary shares issued (excluding treasury shares) as at 30 June 2023 and 854,965,680 ordinary shares issued (excluding treasury shares) as at 31 December 2022.

## 8. Dividends

No interim dividend for the half year ended 30 June 2023 (30 June 2022: Nil) is recommended. 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 30/06/2023	At 31/12/2022	At 30/06/2023	At 31/12/2022
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Cash and cash equivalents	151,028	151,684	48,216	58,632
Trade and other receivables	4,071	3,577	828	731
Loans and advances to subsidiaries	-	-	40,250	40,250
<b>Financial assets at amortised cost</b>	<b>155,099</b>	<b>155,261</b>	<b>89,294</b>	<b>99,613</b>
<b>Financial liabilities</b>				
Trade and other payables	(6,070)	(6,077)	(819)	(956)
Lease liabilities	(40,113)	(40,940)	-	-
Borrowings	(7,542)	(8,034)	-	-
<b>Financial liabilities at amortised cost</b>	<b>(53,725)</b>	<b>(55,051)</b>	<b>(819)</b>	<b>(956)</b>

## 10. Investment property

	At 30/06/2023	At 31/12/2022
	\$'000	\$'000
<b>Cost</b>		
Beginning of financial year	27,548	27,643
Adjustment	-	(95)
End of period/ financial year	27,548	27,548
<b>Accumulated depreciation and impairment</b>		
Beginning of financial year	9,253	8,162
Depreciation charge	392	791
Impairment	-	300
End of period/ financial year	9,645	9,253
<b>Net book value</b>	17,903	18,295

Investment property comprises a commercial property that is leased to third parties under operating leases. Currently, each of the leases is fixed for a period of 6 months to 3 years, and subsequent renewals are negotiated at prevailing market rates and terms. The investment property has been mortgaged to secure bank loans.

The fair value of investment property at 31 December 2022 is approximately \$19.5 million. Management relies on the external valuation to support the recoverable amount of the investment property. The external, independent valuation company, Colliers International Consultancy & Valuation (Singapore) Pte Ltd has the appropriate recognised professional qualifications and recent experience in the location and category of property being valued. 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 capitalization 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 30 June 2023, the Group acquired assets amounting to \$2.286 million (30 June 2022: \$0.671 million).

## 12. Intangible assets and goodwill

	Group		
	Goodwill on consolidation \$'000	Logo and trademark \$'000	Total \$'000
<b>At 30 June 2023</b>			
Cost	1,419	3,373	4,792
Accumulated amortisation	-	(3,295)	(3,295)
Net book value	1,419	78	1,497
<b>At 31 December 2022</b>			
Cost	1,419	3,339	4,758
Accumulated amortisation	-	(3,287)	(3,287)
Net book value	1,419	52	1,471

### *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.

Goodwill for this CGU are tested annually for impairment at the end of the financial year.

### **13. Borrowings**

	<b>Group</b>			
	At 30-06-2023		At 31-12-2022	
	<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	998	-	988	-
Amount payable after one year	2,144	4,400	2,646	4,400

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

### **14. Share Capital**

There was no share buy-back in 1H2023.

During the first half ended 30 June 2023, 500,000 share options were exercised from the options that were granted in 2013; resulting in 500,000 treasury shares being reissued.

The Company's issued and fully paid-up shares as at 30 June 2023 comprised 855,465,680 (30 June 2022: 854,965,680) ordinary shares and 13,463,900 (30 June 2022: 13,963,900) treasury shares.

There were 2,860,000 share options being lapsed or expired in 1H2023. As at 30 June 2023, options to subscribe for 18,550,000 (30 June 2022: 21,910,000) ordinary shares remain outstanding.

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

	<b>As at 30-06-2023</b>	<b>As at 31/12/2022</b>
Total number of issued shares	868,929,580	868,929,580
Less: Treasury shares	(13,463,900)	(13,963,900)
Total number of issued shares excluding treasury shares	855,465,680	854,965,680

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

<b>Treasury shares</b>	<b>No. of shares</b>	<b>\$'000</b>
Balance as at 31/12/2022	13,963,900	7,580
No. of shares transferred on exercise of share option	(500,000)	(272)
Balance as at 30/06/2023	13,463,900	7,308

## **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 30 June 2023 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 first half of FY2023 (“1H2023”), the Group generated revenue of \$32.08 million, significantly higher than the corresponding period in the first half of FY2022 (“1H2022”). The Group’s three attractions in China reported substantial increases in revenues compared to the corresponding period with significant surge in visitor arrivals as China eased its strict Covid-19 control measures since early December 2022; while in 1H2022, visitor numbers were low amidst area lockdowns and tightened measures with the zero-Covid policy at that time. Singapore Flyer also reported significantly higher revenues over corresponding period, as full week operation resumes since November 2022 and international visitor arrivals gradually recovers; while rides on Singapore Flyer were suspended for about three months in 1H2022 following the detection of a technical issue during a routine maintenance inspection at that time. In 1H2023, rides were suspended for 27 days from 1 March 2023 for spoke cable replacement works.

Overall visitation to all our attractions totalled 1.3 million visitors for the half year, 324% higher than the corresponding period of 307,000 visitors in 1H2022; but 37% lower than the pre-pandemic level in 1H2019.

Finance income decreased due to lower interest income from fixed deposits. Others income increased mainly due to comparatively higher amounts from Shanghai Ocean Aquarium (“SOA”) this period as concessionaire sales and other miscellaneous income increased.

#### *Operational Results*

Total Expenses (excluding finance cost) for 1H2023 was \$23.75 million, 18.1% higher than 1H2022. Exchange loss of \$1.49 million was recorded in this period, as Renminbi weakened further against the Singapore Dollar in the current period compared to last year-end exchange rate.

Retail and F&B cost of sales, and sales and marketing expenses were higher in view of the higher footfall as businesses at our attractions gradually return to normalcy. Professional and consultancy expense increased, mainly due to new contract for IT outsource service and consultancy fee incurred for reinstatement work at Singapore Flyer. Rental expense increased 396%, mainly due to the significantly higher variable land rental at SOA as revenue generated in 1H2023 was significantly higher in the absence of prolonged lockdown in Shanghai as in 1H2022 when SOA was closed for more than three months. Repair and maintenance expenses were higher, mainly due to comparatively higher expenses at SOA this period as 1H2022 repair and maintenance works were interrupted by the temporary closure; and higher expenses at Singapore Flyer arising from the spoke cable replacement works in March and certain reinstatement works at the premise. Utilities expenses were higher, mainly due to significantly higher expense at Singapore Flyer as the resumption to full week operation since November last year increased electricity and water consumption; while utilities at SOA also increased. Other expenses increased, mainly due to higher packaging expenses and bank charges as business volume increased and higher travelling expenses as business travels resumed.

Profit before tax was \$10.25 million for 1H2023, as all three China attractions are profitable for the period.

### *Balance Sheet items*

Trade and other receivables increased 12.6% from \$4.2 million at 31 December 2022 to \$4.73 million at 30 June 2023, mainly due to increase in trade receivable arising from online payment clearances outstanding as business volume increased and the 50% fee receivable for the F1 race event to be held in September; offset by decrease in fixed deposits interest receivable recognised in the current period.

Other current assets increased 14.8% from \$1.28 million at 31 December 2022 to \$1.47 million at 30 June 2023, mainly due to increase at Singapore Flyer arising from increase in prepayment of insurance premiums for the yearly renewal in May 2023, as well as increase at Lixing Cable Car arising from the advance payment for purchase of imported spare parts.

Reserves decreased 27.4% from \$11.62 million at 31 December 2022 to \$8.44 million at 30 June 2023, mainly due to the translation loss arising from the weaker RMB against SGD at the end of the current period compared to the end of last year.

Trade and other payables increased 11% from \$8.03 million at 31 December 2022 to \$8.91 million at 30 June 2023, mainly due to increase in deposits from online travel agencies as online ticket sales increased, increase in deposits received from more bookings of Singapore Flyer's event hall for the next six months, 50% deposit receivable for this year's F1 event in September; and increase in GST output taxes payable as revenues increased, offset by certain expenses accrued in last year being paid in the current period.

Current tax liabilities increased 894.9% from \$0.2 million at 31 December 2022 to \$1.97 million at 30 June 2023, mainly due to the provisions of income taxes for 2Q2023 by the China subsidiaries; offset by instalment payment of YA2023 income taxes at HQ.

### *Cash flow Statement*

The Group reported net cash of \$14.01 million generated from operating activities for 1H2023, compared to net cash used of \$7.44 million in 1H2022. Final dividend of 1.0 cent per share in respect of FY2022 was paid out to the Company's shareholders in the current period. Instalment repayment of borrowings and interest in 1H2023 totalled \$0.53 million for the temporary bridging loan taken up by Singapore Flyer in July 2021.

As at 30 June 2023, the Group's cash and cash equivalent balance amounted to \$150.03 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 26 May 2023.

### **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 5.5% year-on-year in the first half of 2023, indicating a steady post-Covid recovery, as services and consumption saw significant recovery. However, 1H2023 data is affected by the low base effect last year, which was a period heavily impacted by Covid-19. On the tourism sector, domestic tourism rebounded to pre-Covid-19 levels in the May Day holidays, with 274 million domestic trips made during the five-day break, 19% more than during 2019 and tourists spending hit 148 billion Yuan, on par with 2019 levels. The Chinese Tourism Academy estimates about 4.55 billion domestic trips will be made this year, up 73% from 2022.

Singapore's economy grew 0.7% on a year-on-year basis in the second quarter of 2023, according to advance estimates released by the Ministry of Trade and Industry ("MTI"). For the first quarter of 2023, Singapore welcomed more than 2.9 million visitors, about two-third of pre-Covid-19 numbers, as recovery of the tourism sector continues. The Singapore Tourism Board ("STB") has forecasted that international visitor arrivals to hit 12 million to 14 million in 2023 and full tourism recovery expected by 2024.

## 5. Dividend information

### (a) Current Financial Period Reported On

Any interim (final) dividend declared (recommended) for the current financial period reported on? None

### (b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

### (c) Date payable

Not applicable.

### (d) Books closure date

Not applicable.

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

## 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. Negative confirmation pursuant to Rule 705(5)

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge and belief, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six months ended 30 June 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Wu Hsioh Kwang  
Chairman

Lim Song Joo  
Director



BY ORDER OF THE BOARD,

Lotus Isabella Lim Mei Hua  
Company Secretary  
14 August 2023