

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

**FIRST QUARTER ENDED 31 MARCH 2009 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 (for the group) together with a comparative statement for the
corresponding period of the immediately preceding financial year.**

INCOME STATEMENT

	1Q ended		
	31/03/2009	31/03/2008	Change
	S\$'000	S\$'000	%
Sales	7,154	6,173	16
Other operating income	394	316	25
Operating expenses	(3,967)	(4,326)	(8)
Administrative expenses	(594)	(1,362)	(56)
Finance costs	5	-	n.m.
Profit before tax	2,992	801	274
Income tax expense	(747)	(229)	226
Profit for the year	2,245	572	292
Profit attributable to:			
Equity holders of the parent	2,151	532	304
Minority interests	94	40	135
Profit for the year	2,245	572	292

STATEMENT OF COMPREHENSIVE INCOME

	1Q ended		
	31/03/2009	31/03/2008	Change
	S\$'000	S\$'000	%
Profit for the year	2,245	572	292
Other comprehensive income			
Translation differences relating to financial statements of foreign subsidiaries	3,523	(330)	n.m.
Exchange differences on monetary items forming part of net investment in a foreign operation	417	(49)	n.m.
Other comprehensive income for the year, net of tax	3,940	(379)	n.m.
Total comprehensive income for the year	6,185	193	3,105
Total comprehensive income attributable to:			
Equity holders of the parent	5,955	165	3,509
Minority interests	230	28	721
Total comprehensive income for the year	6,185	193	3,105

n.m.: not meaningful

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

	1Q ended	
	31/03/2009	31/03/2008
	S\$'000	S\$'000
Depreciation of property, plant and equipment	1,377	1,194
Amortisation of intangible assets	40	40
Interest income	(59)	(117)
Interest expense	(5)	-
Foreign exchange gain	(977)	(70)
(Gain)/Loss on disposal of property, plant and equipment	15	(1)
Allowance for doubtful debts	10	-

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

BALANCE SHEETS

	Group		Company	
	31/03/2009	31/12/2008	31/03/2009	31/12/2008
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	69,160	66,699	2,837	2,870
Interest in subsidiaries	-	-	55,526	55,208
Long-term loans to subsidiaries	-	-	5,238	5,198
Intangible assets	1,684	1,724	-	-
Deferred tax assets	23	22	-	-
	70,867	68,445	63,601	63,276
Current assets				
Inventories	779	762	-	-
Trade and other receivables	996	1,058	29	29
Due from subsidiaries	-	-	18,105	12,796
Other current assets	350	192	22	11
Cash and cash equivalents	37,838	34,331	6,682	6,923
	39,963	36,343	24,838	19,759
Total assets	110,830	104,788	88,439	83,035
Equity attributable to equity holders of the Parent				
Share capital	76,985	76,985	76,985	76,985
Reserves	25,902	19,947	10,847	5,522
	102,887	96,932	87,832	82,507
Minority interest	2,444	2,460	-	-
Total equity	105,331	99,392	87,832	82,507
Non-current liabilities				
Deferred income	101	99	-	-
Deferred tax liabilities	630	519	-	-
	731	618	-	-
Current liabilities				
Trade and other payables	4,011	4,388	383	315
Due to subsidiaries	-	-	205	194
Current tax payable	757	390	19	19
	4,768	4,778	607	528
Total liabilities	5,499	5,396	607	528
Total equity and liabilities	110,830	104,788	88,439	83,035

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

	As at 31/03/2009		As at 31/12/2008	
	<u>Secured</u> S\$'000	<u>Unsecured</u> S\$'000	<u>Secured</u> S\$'000	<u>Unsecured</u> S\$'000
Amount payable in one year or less, or on demand	-	-	-	-
Amount payable after one year	-	-	-	-

Details of any collateral

There were no secured borrowings outstanding as at 31 March 2009 and 31 December 2008.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENTS OF CASH FLOWS	Q1 ended 31/03/2009	Q1 ended 31/03/2008
	S\$'000	S\$'000
Operating activities		
Profit before taxation	2,992	801
Adjustments for:		
Depreciation	1,377	1,194
Amortisation	40	40
Equity-settled share-based payment transactions	-	120
(Gain)/Loss on disposal of property, plant and equipment	15	(1)
Government grant utilised	(3)	(3)
Impairment loss on other receivables	10	-
Interest income	(59)	(117)
Interest expense	(5)	-
Exchange gain	(1,092)	(37)
Operating cash flow before working capital change	3,275	1,997
Changes in operating assets and liabilities		
Trade and other receivables	(106)	181
Inventories	(17)	30
Trade and other payables	(617)	(1,649)
Cash generated from operations	2,535	559
Income tax paid	(287)	(387)
Cash flows from operating activities	2,248	172
Investing activities		
Acquisition of property, plant and equipment	(324)	(155)
Proceeds from disposal of property, plant and equipment	1	2
Interest received	59	117
Cash flows from investing activities	(264)	(36)
Net increase in cash and cash equivalents	1,984	136
Cash and cash equivalents at the beginning of the financial period	34,331	30,780
Effects of exchange rate fluctuations	1,523	(121)
Cash and cash equivalents at the end of the financial period	37,838	30,795

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)

	Interest of shareholders of the Company							
	Share capital	Share option reserves	Statutory reserves	Foreign	Retained earnings	Total	Minority Interest	Total Equity
				currency translation reserves				
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
As at 1 January 2009	76,985	573	1,973	932	16,469	96,932	2,460	99,392
Changes in equity for the period:								
Transfer to statutory reserve	-	-	889	-	(889)	-	-	-
Dividend declared by subsidiary	-	-	-	-	-	-	(246)	(246)
Total comprehensive income for the period	-	-	-	3,804	2,151	5,955	230	6,185
As at 31 March 2009	76,985	573	2,862	4,736	17,731	102,887	2,444	105,331

(ii)

	Interest of shareholders of the Company							
	Share capital	Share option reserves	Statutory reserves	Foreign	Retained earnings	Total	Minority Interest	Total Equity
				currency translation reserves				
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
As at 1 January 2008	76,985	95	1,512	(2,822)	12,451	88,221	2,067	90,288
Changes in equity for the period:								
Value of employee services received for issue of share options	-	120	-	-	-	120	-	120
Transfer to statutory reserve	-	-	461	-	(461)	-	-	-
Dividend declared by subsidiary	-	-	-	-	-	-	(221)	(221)
Total comprehensive income for the period	-	-	-	(367)	532	165	28	193
As at 31 March 2008	76,985	215	1,973	(3,189)	12,522	88,506	1,874	90,380

(b) Company

(i)

	Share capital	Share option reserves	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2009	76,985	573	4,949	82,507
Total comprehensive income for the period	-	-	5,325	5,325
Balance as at 31 March 2009	76,985	573	10,274	87,832

(ii)

	Share capital S\$'000	Share option reserves S\$'000	Retained earnings S\$'000	Total S\$'000
Balance as at 1 January 2008	76,985	95	5,384	82,464
Value of employee services received for issue of share options	-	120	-	120
Total comprehensive income for the period	-	-	3,771	3,771
Balance as at 31 March 2008	<u>76,985</u>	<u>215</u>	<u>9,155</u>	<u>86,355</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.

There is no change in the company's share capital since 31 December 2008 to the date of the current reporting period.

No new share options were issued during the period. As at 31 March 2009, options to subscribe for 5,080,000 ordinary shares remain outstanding.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 31 March 2009 and 31 December 2008, the company's issued and paid-up capital comprised 868,929,580 ordinary shares.

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.

Not applicable.

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 2008.

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 2009 and there is no material impact to the Group's results.

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	Q1 ended	
	31/03/2009	31/03/2008
(a) Based on the number of ordinary shares in issue (cents)	0.25	0.06
(b) On fully diluted basis (cents)	0.25	0.06

The calculations of basic earnings per share for the 1Q ended 31 March 2009 and their comparatives are based on the net profits attributable to shareholders for the respective periods divided by the share capital of 868,929,580 shares in issue.

Diluted earnings per share is the same as basic earnings per share because the Company's outstanding share options do not have a dilutive effect.

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	
	31/03/2009	31/12/2008	31/03/2009	31/12/2008
Net asset value per ordinary share (cents)	11.84	11.16	10.11	9.50

Net asset value per ordinary share was calculated based on the issued share capital of 868,929,580 shares as at 31 March 2009 and 31 December 2008.

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 first quarter of FY2009, the Group achieved sales of \$7.15 million, a 16% increase over the same period in FY2008. The increase was mainly attributable to increased visitations to our two main attractions, Shanghai Ocean Aquarium ("SOA") and Underwater World Xiamen ("UWX"), offset by the decrease in performance fee in Straco Creation Pte Ltd as no performances were staged in the current period. Our Group's flagship, SOA, registered a 16% increase in revenue on a 5.5% growth in visitor arrivals compared to 1Q2008.

Overall visitation to our Group's major attractions was 373,000 visitors, up 14% compared to 1Q2008.

Operational Results

Expenses for 1Q2009 decreased \$1.13 million in total, or 20% over 1Q2008. Operating expenses decreased by \$0.36 million, or 8%. The main reasons for the decrease were the decrease in operating expenses of our subsidiary, Straco Creation, as there was no performance in the current period; offset by increase in variable expenses associated with the higher revenues in SOA and UWX, as well as increase in depreciation expense.

Administrative expenses for 1Q2009 decreased \$0.77 million; or 56% over 1Q2008, mainly due to the exchange gain recognized in the current period as the RMB currency strengthened against SGD.

Profit before tax more than tripled to \$2.99 million for the quarter, compared to a profit before tax of \$0.8 million for 1Q2008. Taking away the effects of foreign exchange gains in both periods, profit before tax would have been \$2.01 million, compared to \$0.73 million in 1Q2008, an increase of 175%, mainly due to the increase in revenue and decrease in operating expenses as the Group exercise vigilance in spending amidst the global slowdown.

Balance Sheet items

Other current assets increased 82% from \$192,000 in 31 December 2008 to \$350,000 in 31 March 2009 mainly due to increase in prepayments.

Reserves increased 30% from \$19.9 million in 31 December 2008 to \$25.9 million in 31 March 2009, mainly due to the following:

- 1) Foreign currency translation reserves increased \$3.8 million from \$0.9 million in 31 December 2008 to \$4.7 million in 31 March 2009 as the RMB currency appreciated by approximately 5.4% against SGD during the period;
- 2) Retained earnings increased \$2.2 million from \$18.4 million in 31 December 2008 to \$20.6 million in 31 March 2009, mainly due to the profits achieved for the current period.

Deferred tax liability increased 21% from \$0.52 million at 31 December 2008 to \$0.63 million at 31 March 2009 due to the deferred tax recognized on the distributable 1Q2009 earnings of the China subsidiaries which are subject to withholding tax under the new China tax law which took effect from 1 Jan 2008.

Current tax payable increased 94% from \$0.39 million in 31 December 2008 to \$0.76 million in 31 March 2009 mainly due to the tax provisions in SOA and UWX for 1Q FY2009 profits

and the change in China's tax rate from 18% in last year to 20% this year under the new PRC tax law.

Cash flow Statement

The Group generated a cash inflow from operating activities, excluding working capital changes, amounting to \$3.3 million in 1Q2009, compared to \$2.0 million in 1Q2008. As at 31 March 2009, the Group's cash and cash equivalent balance amounted to \$37.8 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 reported that China's economic growth rate slowed to 6.1% in the first quarter of 2009, from 6.8% in the previous quarter, as the global financial crisis continued to affect the World's third-largest economy.

However, positive signs are emerging that the economy possibly is bottoming out, as the government's stimulus measures had produced positive results. Consumer spending rose 15% in the first quarter, as consumer price index fell an annualized 0.6% in the same quarter.

It was reported that the Chinese government will take all necessary measures to stimulate its economy and fuel consumer spending. This augurs well for the Group.

In addition, with the Monetary Authority of Singapore's stand on easing of monetary policy, RMB currency is expected to remain strong against SGD.

Other than the above, we are not aware of any impending factors or events that may affect the Group in the next 12 months.

11. Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable

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

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

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

15. A breakdown of sales.

Not applicable.

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

Not applicable.

17. Interested Person Transactions

Not applicable.

18. Negative Assurance Confirmation On First Quarter Financial Results Pursuant To Rule 705(4) Of The Listing Manual

To the best of our knowledge and belief, nothing has come to the attention of the Directors which may render the 1Q2009 financial results to be false or misleading in all material respect.

On behalf of the Board

Wu Hsioh Kwang
Chairman

Choong Chow Siong
Director

BY ORDER OF THE BOARD,

Lotus Isabella Lim Mei Hua
Company Secretary
8 May 2009