

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

**FIRST QUARTER ENDED 31 MARCH 2012 UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

- 1(a) **An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**INCOME STATEMENT**

	<b>1Q ended</b>		
	<b>31/03/2012</b>	<b>31/03/2011</b>	Change
	S\$'000	S\$'000	%
Revenue	9,069	7,393	23
Other income	778	534	46
Operating expenses	(4,301)	(3,662)	17
Administrative expenses	(2,634)	(2,524)	4
Profit before income tax	2,912	1,741	67
Tax expense	(1,037)	(609)	70
<b>Profit for the period</b>	<b>1,875</b>	<b>1,132</b>	<b>66</b>
<b>Profit attributable to:</b>			
Owners of the Company	1,815	1,101	65
Non-controlling interests	60	31	94
<b>Profit for the period</b>	<b>1,875</b>	<b>1,132</b>	<b>66</b>

**STATEMENT OF COMPREHENSIVE INCOME**

	<b>1Q ended</b>		
	<b>31/03/2012</b>	<b>31/03/2011</b>	Change
	S\$'000	S\$'000	%
<b>Profit for the period</b>	1,875	1,132	66
<b>Other comprehensive loss</b>			
Translation differences relating to financial statements of foreign subsidiaries	(2,638)	(1,122)	135
Exchange differences on monetary items forming part of net investment in a foreign operation	-	(100)	(100)
<b>Other comprehensive loss for the period, net of tax</b>	<b>(2,638)</b>	<b>(1,222)</b>	<b>116</b>
<b>Total comprehensive loss for the period</b>	<b>(763)</b>	<b>(90)</b>	<b>748</b>
<b>Total comprehensive loss attributable to:</b>			
Owners of the Company	(725)	(79)	818
Non-controlling interests	(38)	(11)	245
<b>Total comprehensive loss for the period</b>	<b>(763)</b>	<b>(90)</b>	<b>748</b>

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

	<b>1Q ended</b>	
	<b>31/03/2012</b>	<b>31/03/2011</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Depreciation of property, plant and equipment	1,212	1,163
Interest income	(551)	(311)
Foreign exchange loss	814	364
Gain on disposal of property, plant and equipment	(11)	-
Government grant	(14)	(9)
Impairment loss on trade receivables	42	-

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

	Group		Company	
	As at 31/03/2012	As at 31/12/2011	As at 31/03/2012	As at 31/12/2011
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	50,656	53,273	2,471	2,491
Investments in subsidiaries	-	-	48,495	48,495
Intangible assets	1,419	1,419	-	-
	52,075	54,692	50,966	50,986
<b>Current assets</b>				
Inventories	938	898	-	-
Trade and other receivables	1,606	1,449	-	-
Loans and receivables from subsidiaries	-	-	31,225	23,832
Other current assets	596	513	38	22
Cash and cash equivalents	81,471	82,178	17,124	10,689
	84,611	85,038	48,387	34,543
<b>Total assets</b>	<b>136,686</b>	<b>139,730</b>	<b>99,353</b>	<b>85,529</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	76,985	76,985	76,985	76,985
Reserves	4,944	5,652	(64)	(140)
Retained earnings	42,523	42,464	20,461	7,136
	124,452	125,101	97,382	83,981
<b>Non-controlling interests</b>	2,234	3,062	-	-
<b>Total equity</b>	<b>126,686</b>	<b>128,163</b>	<b>97,382</b>	<b>83,981</b>
<b>Non-current liabilities</b>				
Deferred income	276	300	-	-
Deferred tax liabilities	1,380	2,015	-	-
	1,656	2,315	-	-
<b>Current liabilities</b>				
Trade and other payables	4,984	5,981	435	739
Amounts due to subsidiaries	-	-	409	422
Current tax liabilities	3,360	3,271	1,127	387
	8,344	9,252	1,971	1,548
<b>Total liabilities</b>	<b>10,000</b>	<b>11,567</b>	<b>1,971</b>	<b>1,548</b>
<b>Total equity and liabilities</b>	<b>136,686</b>	<b>139,730</b>	<b>99,353</b>	<b>85,529</b>

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

	As at 31/03/2012		As at 31/12/2011	
	<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**

Not applicable

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

CONSOLIDATED STATEMENT OF CASH FLOWS	Q1 ended 31/03/2012	Q1 ended 31/03/2011
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit before income tax	2,912	1,741
Adjustments for:		
Depreciation of property, plant and equipment	1,212	1,163
Equity-settled share-based payment transactions	171	89
Gain on disposal of property, plant and equipment	(11)	-
Government grant utilised	(14)	(9)
Impairment loss on trade receivables	42	-
Interest income	(551)	(311)
Exchange loss	877	523
Operating profit before working capital changes	4,638	3,196
Changes in working capital:		
Trade and other receivables	(68)	2
Inventories	(67)	(55)
Trade and other payables	(1,646)	(1,430)
Cash generated from operating activities	2,857	1,713
Income taxes paid	(1,484)	(1,040)
Net cash from operating activities	1,373	673
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(119)	(207)
Proceeds from disposal of property, plant and equipment	11	-
Interest received	282	311
Net cash from investing activities	174	104
<b>Cash flows from financing activities</b>		
Repurchase of own shares	(95)	(64)
Net cash used in financing activities	(95)	(64)
<b>Net increase in cash and cash equivalents</b>	1,452	713
Cash and cash equivalents at beginning of period	82,178	65,090
Effects of exchange rate fluctuations	(2,159)	(884)
<b>Cash and cash equivalents at end of period</b>	81,471	64,919

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**(a) Group**

(i)

	Share capital	Treasury shares	Capital reserve	Share option reserve	General reserve	Foreign currency translation reserve	Retained earnings	Total attributable to owners of the Company	Non-controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 1 January 2012</b>	76,985	(1,512)	(13)	1,385	5,896	(104)	42,464	125,101	3,062	128,163
Changes in equity for the period:										
Purchase of own shares	-	(95)	-	-	-	-	-	(95)	-	(95)
Share-based payment transactions	-	-	-	171	-	-	-	171	-	171
Transfer to general reserve fund	-	-	-	-	1,756	-	(1,756)	-	-	-
Dividend to non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	(790)	(790)
Total comprehensive income/(loss) for the period	-	-	-	-	-	(2,540)	1,815	(725)	(38)	(763)
<b>At 31 March 2012</b>	<b>76,985</b>	<b>(1,607)</b>	<b>(13)</b>	<b>1,556</b>	<b>7,652</b>	<b>(2,644)</b>	<b>42,523</b>	<b>124,452</b>	<b>2,234</b>	<b>126,686</b>

(ii)

	Share capital	Treasury shares	Capital reserve	Share option reserve	General reserve	Foreign currency translation reserve	Retained earnings	Total attributable to owners of the Company	Non-controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 1 January 2011</b>	76,985	-	-	811	4,063	(4,809)	34,281	111,331	2,742	114,073
Changes in equity for the period:										
Purchase of own shares	-	(64)	-	-	-	-	-	(64)	-	(64)
Share-based payment transactions	-	-	-	89	-	-	-	89	-	89
Transfer to general reserve fund	-	-	-	-	848	-	(848)	-	-	-
Dividend to non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	(382)	(382)
Total comprehensive income/(loss) for the period	-	-	-	-	-	(1,180)	1,101	(79)	(11)	(90)
<b>At 31 March 2011</b>	<b>76,985</b>	<b>(64)</b>	<b>-</b>	<b>900</b>	<b>4,911</b>	<b>(5,989)</b>	<b>34,534</b>	<b>111,277</b>	<b>2,349</b>	<b>113,626</b>

**(b) Company**

(i)

	Share capital	Treasury shares	Capital reserve	Share option reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 1 January 2012</b>	76,985	(1,512)	(13)	1,385	7,136	83,981
Purchase of own shares	-	(95)	-	-	-	(95)
Share-based payment transactions	-	-	-	171	-	171
Total comprehensive income for the period	-	-	-	-	13,325	13,325
<b>At 31 March 2012</b>	<b>76,985</b>	<b>(1,607)</b>	<b>(13)</b>	<b>1,556</b>	<b>20,461</b>	<b>97,382</b>

(ii)

	Share capital	Treasury shares	Capital reserve	Share option reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 1 January 2011</b>	76,985	-	-	811	8,842	86,638
Purchase of own shares	-	(64)	-	-	-	(64)
Share-based payment transactions	-	-	-	89	-	89
Total comprehensive income for the period	-	-	-	-	5,649	5,649
<b>At 31 March 2011</b>	<b>76,985</b>	<b>(64)</b>	<b>-</b>	<b>900</b>	<b>14,491</b>	<b>92,312</b>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Pursuant to the Share Buy-back Mandate approved by shareholders, the Company purchased a total of 500,000 shares by way of on-market purchase for a total consideration of \$95,000 (including transaction costs) in 1Q2012. The shares purchased were made out of the Company's capital and held as treasury shares.

The Company's issued and fully paid up shares as at 31 March 2012 comprised 859,569,580 (31 March 2011: 868,502,580) ordinary shares and 9,360,000 (31 March 2011: 427,000) treasury shares.

As at 31 March 2012, the number of share options of the Company outstanding was 16,340,000 (31 March 2011: 11,400,000).

**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 31/03/2012	As at 31/12/2011
Total number of issued shares	868,929,580	868,929,580
Less: Treasury shares	(9,360,000)	(8,860,000)
Total number of issued shares excluding treasury shares	859,569,580	860,069,580

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Treasury Shares	No. of shares	S\$'000
Balance as at 31/12/2011	8,860,000	1,512
No. of shares purchased	500,000	95
Balance as at 31/03/2012	9,360,000	1,607

**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 2011.

**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 2012 and it is not expected to have any significant impact on the Group's financial statements.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings per share	Q1 ended	
	31/3/2012	31/3/2011
(a) Based on the number of ordinary shares in issue (cents)	0.21	0.13
(b) On fully diluted basis (cents)	0.21	0.13

The calculation of basic earnings per share for 1Q ended 31 March 2012 is based on the net profits attributable to shareholders for the 1Q ended 31 March 2012 divided by the weighted average number of ordinary shares outstanding of 859,836,613.

The calculations of basic earnings per share for 1Q ended 31 March 2011 is based on the net profits attributable to shareholders for the 1Q ended 31 March 2011 divided by the weighted average number of ordinary shares outstanding of 868,502,580.

The calculation of diluted earnings per share for 1Q ended 31 March 2012 is based on the net profits attributable to shareholders for the 1Q ended 31 March 2012 divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 861,799,476.



Diluted earnings per share are the same as basic earnings per share for 1Q ended 31 March 2011 as the Company's outstanding share options for the 1Q ended 31 March 2011 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	
	31/03/2012	31/12/2011	31/03/2012	31/12/2011
Net asset value per ordinary share (cents) based on number of issued shares excluding treasury shares at the end of:	14.48	14.55	11.33	9.76

Net asset value per ordinary share was calculated based on 859,569,580 ordinary shares issued (excluding treasury shares) as at 31 March 2012 and 860,069,580 ordinary shares issued (excluding treasury shares) as at 31 December 2011.

- 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 FY2012, the Group achieved sales of \$9.07 million, an increase of 22.7% from the same period in FY2011, as our major attractions - Shanghai Ocean Aquarium ("SOA") and Underwater World Xiamen ("UWX") registered increases in revenue on higher visitor numbers and better yield.

Combined visitation to our Group's major attractions was 406,000 visitors for the quarter, increase of 8.9% compared to 1Q2011.

### Operational Results

Expenses for 1Q2012 increased \$0.75 million in total; or 12.1% from 1Q2011, as both operating expenses and administrative expenses increased.

Operating expenses for 1Q2012 increased \$0.64 million, or 17.4% from 1Q2011. Apart from higher variable cost which increased in line with the higher revenue, fixed operating expenses such as utilities, repair and maintenance expense, depreciation, staff cost, and advertising and promotional expenses also increased.

Administrative expenses for 1Q2012 increased \$0.11 million, or 4.3% from 1Q2011, mainly due to the higher foreign exchange loss recorded in the current period as SGD strengthened against the RMB currency during the period, offset by lower staff cost due to a reduction in bonus quantum paid out in the current period.

Profit before tax was \$2.91 million for the current quarter, an increase of 67.3% compared to the profit before tax of \$1.74 million for 1Q2011.

### **Balance Sheet items**

Trade and other receivables increased 10.9% from \$1.45 million in 31 December 2011 to \$1.61 million in 31 March 2012 mainly due to increase in other receivables in SOA and UWX arising from the interest receivables from fixed deposits placements.

Other current assets increased 16.0% from \$0.51 million in 31 December 2011 to \$0.60 million in 31 March 2012 mainly due to the prepayment of insurance at SOA and advance payment for certain repair and maintenance contracts at SOA and UWX, offset by the decrease in deposits and prepayment at LCC.

Reserves decreased 12.5% from \$5.65 million at 31 December 2011 to \$4.94 million at 31 March 2012 mainly due to the amount of \$1.76 million transferred by SOA from its FY2010 retained earnings to general reserves, share option reserves of \$0.17 million recognised in the current period arising from share options granted in May 2011, increase in treasury shares from share buyback of \$95,000; offset by translation loss of \$2.54 million arising from the weaker RMB currency against SGD at the end of the period compared to the end of last year.

Non-controlling interests ("NCI") decreased 27.0% from \$3.06 million at 31 December 2011 to \$2.23 million at 31 March 2012 due to the dividend declared by SOA in the current period as well as increase in NCI's share of translation losses from the weakened RMB against SGD, partially offset by its share of current period profits.

Deferred tax liabilities decreased 31.5% from \$2.02 million in 31 December 2011 to \$1.38 million in 31 March 2012 due to the reversal of deferred tax recognised in prior years for FY2010 profit of SOA which has been declared as dividend in the current period; offset by the deferred tax recognised on the 1Q2012 profits of SOA and UWX. Provision for the PRC withholding taxes payable on the dividend declared by SOA has been included in current tax liabilities.

Trade and other payables decreased 16.7% from \$5.98 million in 31 December 2011 to \$4.98 million in 31 March 2012, mainly due to the payment of performance bonus which were accrued in last year.

### **Cash flow Statement**

The Group generated net cash from operating activities amounting to \$1.37 million in 1Q2012, compared to \$0.67 million in 1Q2011. During the period, the Company used \$95,000 to buy back its own shares. As at 31 March 2012, the Group's cash and cash equivalent balance amounted to \$81.47 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 gross domestic product ("GDP") grew 8.1% in the first quarter of 2012 over the same period last year, the slowest quarterly growth in nearly three years, due to a decline in export growth and weakness in domestic consumption amid rising cost of living.

Nevertheless, China's continual effort to rebalance its export-driven economy to a consumption-led one and the government's move to ease monetary policy could fuel the economy.

Annual income growth could also spur domestic consumption. Per capita disposable income in the first quarter for urban and rural residents rose by 9.8% and 12.7% in real terms respectively, outstripping the GDP figures.

It was also recently reported that 2012 is a key year for the implementation of the 12<sup>th</sup> "Five-Year Plan" in Shanghai. The Shanghai's municipal government has issued guidelines on Expediting the Development of Shanghai's Tourism and Building Shanghai into a World Famous Tourist City. This year, Shanghai's tourism will focus on promoting the integration of business tourism, sports tourism and industrial tourism, the promotion of MICE, and the promotion of the development of Shanghai's outskirts by tourism.

Other than the above, the Company is 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/recommended, a statement to that effect.**

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

## **13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No IPT mandate has been obtained.

**14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results).**

To the best of our knowledge and belief, nothing has come to the attention of the Directors which may render the 1Q2012 financial results to be false or misleading in any material aspect.

On behalf of the Board

Wu Hsioh Kwang  
Chairman

Lim Song Joo  
Director

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

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

**15. 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.

**16. 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.

**17. A breakdown of sales.**

Not applicable.

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

Not applicable.

**19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Not applicable.

BY ORDER OF THE BOARD,

Lotus Isabella Lim Mei Hua  
Company Secretary  
11 May 2012