

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

FULL YEAR ENDED 31 DECEMBER 2013 UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

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

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

INCOME STATEMENT

| | 4Q ended | | | Full Year ended | | |
|--------------------------------|--------------|--------------|-----------|-----------------|---------------|-----------|
| | 31/12/2013 | 31/12/2012 | Change | 31/12/2013 | 31/12/2012 | Change |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Revenue | 14,627 | 11,073 | 32 | 72,840 | 55,198 | 32 |
| Other income | 1,332 | 1,099 | 21 | 5,588 | 3,919 | 43 |
| Operating expenses | (4,658) | (4,916) | (5) | (20,495) | (19,618) | 4 |
| Administrative expenses | (2,665) | (2,188) | 22 | (7,661) | (9,412) | (19) |
| Operating profit | 8,636 | 5,068 | 70 | 50,272 | 30,087 | 67 |
| Finance costs | - | - | n.m. | (2) | - | n.m. |
| Profit before income tax | 8,636 | 5,068 | 70 | 50,270 | 30,087 | 67 |
| Tax expense | (2,768) | (1,798) | 54 | (14,877) | (9,594) | 55 |
| Profit for the period | 5,868 | 3,270 | 79 | 35,393 | 20,493 | 73 |
| Profit attributable to: | | | | | | |
| Owners of the Company | 5,631 | 3,154 | 79 | 34,096 | 19,732 | 73 |
| Non-controlling interests | 237 | 116 | 104 | 1,297 | 761 | 70 |
| Profit for the period | 5,868 | 3,270 | 79 | 35,393 | 20,493 | 73 |

STATEMENT OF COMPREHENSIVE INCOME

| | 4Q ended | | | Full Year ended | | |
|--|--------------|--------------|-----------|-----------------|----------------|-------------|
| | 31/12/2013 | 31/12/2012 | Change | 31/12/2013 | 31/12/2012 | Change |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Profit for the period | 5,868 | 3,270 | 79 | 35,393 | 20,493 | 73 |
| Other comprehensive income/(loss) for the period, net of tax | | | | | | |
| Translation differences relating to financial statements of foreign subsidiaries | 1,391 | 806 | 73 | 5,739 | (3,853) | n.m. |
| Other comprehensive (loss)/ income for the period, net of tax | 1,391 | 806 | 73 | 5,739 | (3,853) | n.m. |
| Total comprehensive income for the period | 7,259 | 4,076 | 78 | 41,132 | 16,640 | 147 |
| Total comprehensive income attributable to: | | | | | | |
| Owners of the Company | 6,970 | 3,934 | 77 | 39,639 | 16,019 | 147 |
| Non-controlling interests | 289 | 142 | 104 | 1,493 | 621 | 140 |
| Total comprehensive income for the period | 7,259 | 4,076 | 78 | 41,132 | 16,640 | 147 |

n.m. – not meaningful

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

| | 4Q ended | | Full Year ended | |
|---|------------|------------|-----------------|------------|
| | 31/12/2013 | 31/12/2012 | 31/12/2013 | 31/12/2012 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Depreciation of property, plant and equipment | 983 | 1,115 | 3,947 | 4,734 |
| Interest income | (832) | (812) | (3,250) | (2,756) |
| Interest expense | - | - | 2 | - |
| Foreign exchange (gain)/ loss | (477) | (282) | (2,181) | 1,366 |
| Loss/ (Gain) on disposal of property, plant and equipment | 1 | 12 | (692) | 62 |
| Government grant | (16) | (15) | (61) | (57) |
| 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 31/12/2013 | As at 31/12/2012 | As at 31/12/2013 | As at 31/12/2012 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Non-current assets | | | | |
| Property, plant and equipment | 47,071 | 47,375 | 2,358 | 2,412 |
| Investments in subsidiaries | - | - | 48,121 | 48,121 |
| Intangible assets | 1,419 | 1,419 | - | - |
| | 48,490 | 48,794 | 50,479 | 50,533 |
| Current assets | | | | |
| Inventories | 960 | 1,035 | - | - |
| Trade and other receivables | 4,117 | 2,787 | - | - |
| Loans and receivables from subsidiaries | - | - | 26,210 | 23,999 |
| Other current assets | 21,701 | 294 | 21,324 | 21 |
| Cash and cash equivalents | 108,055 | 95,969 | 18,238 | 11,611 |
| | 134,833 | 100,085 | 65,772 | 35,631 |
| Total assets | 183,323 | 148,879 | 116,251 | 86,164 |
| Equity attributable to owners of the Company | | | | |
| Share capital | 76,985 | 76,985 | 76,985 | 76,985 |
| Reserves | 10,930 | 167 | (3,003) | (3,681) |
| Retained earnings | 72,981 | 53,963 | 38,256 | 11,640 |
| | 160,896 | 131,115 | 112,238 | 84,944 |
| Non-controlling interests | 3,116 | 2,880 | - | - |
| Total equity | 164,012 | 133,995 | 112,238 | 84,944 |
| Non-current liabilities | | | | |
| Deferred income | 213 | 230 | - | - |
| Deferred tax liabilities | 1,850 | 2,120 | - | - |
| | 2,063 | 2,350 | - | - |
| Current liabilities | | | | |
| Trade and other payables | 10,226 | 6,737 | 3,067 | 762 |
| Amounts due to subsidiaries | - | - | 946 | 458 |
| Current tax liabilities | 7,022 | 5,797 | - | - |
| | 17,248 | 12,534 | 4,013 | 1,220 |
| Total liabilities | 19,311 | 14,884 | 4,013 | 1,220 |
| Total equity and liabilities | 183,323 | 148,879 | 116,251 | 86,164 |

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

| | As at 31/12/2013 | | As at 31/12/2012 | |
|---|------------------|------------------|------------------|------------------|
| | <u>Secured</u> | <u>Unsecured</u> | <u>Secured</u> | <u>Unsecured</u> |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Amount payable in one year or less, or on demand | - | - | - | - |
| 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 | Full Year ended 31/12/2013 | Full Year ended 31/12/2012 |
|---|----------------------------------|----------------------------------|
| | S\$'000 | S\$'000 |
| Cash flows from operating activities | | |
| Profit before income tax | 50,270 | 30,087 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 3,947 | 4,734 |
| Equity-settled share-based payment transactions | 453 | 408 |
| (Gain)/ Loss on disposal of property, plant and equipment | (692) | 62 |
| Government grant utilised | (61) | (57) |
| Impairment loss on trade receivables | - | 42 |
| Interest income | (3,250) | (2,756) |
| Interest expense | 2 | - |
| Exchange (gain)/ loss | (1,955) | 1,417 |
| Operating profit before working capital changes | 48,714 | 33,937 |
| Changes in working capital: | | |
| Trade and other receivables | 83 | 11 |
| Inventories | 138 | (178) |
| Trade and other payables | 1,045 | 542 |
| Cash generated from operating activities | 49,980 | 34,312 |
| Income taxes paid | (14,312) | (6,796) |
| Net cash from operating activities | 35,668 | 27,516 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (1,436) | (1,135) |
| Deposit paid for bidding of a project | (21,200) | - |
| Government grant received | 30 | - |
| Proceeds from disposal of property, plant and equipment | 1,288 | 2 |
| Interest received | 1,858 | 1,492 |
| Net cash (used in)/ from investing activities | (19,460) | 359 |
| Cash flows from financing activities | | |
| Dividend paid to owners of company | (10,536) | (6,463) |
| Dividend paid to non-controlling interests | (1,275) | (374) |
| Repurchase of own shares | (126) | (4,576) |
| Proceeds from exercise of share options | 351 | 627 |
| Proceed from a potential partner for bidding of a project | 2,100 | - |
| Interest paid | (2) | - |
| Net cash used in financing activities | (9,488) | (10,786) |
| Net increase in cash and cash equivalents | 6,720 | 17,089 |
| Cash and cash equivalents at beginning of the year | 95,969 | 82,178 |
| Effects of exchange rate fluctuations | 5,366 | (3,298) |
| Cash and cash equivalents at end of the year | 108,055 | 95,969 |

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 |
| At 1 January 2013 | 76,985 | (5,343) | (131) | 1,793 | 7,666 | (3,818) | 53,963 | 131,115 | 2,880 | 133,995 |
| Changes in equity for the period: | | | | | | | | | | |
| Purchase of own shares | - | (97) | - | - | - | - | - | (97) | - | (97) |
| Share-based payment transactions | - | - | - | 68 | - | - | - | 68 | - | 68 |
| Treasury shares reissued | - | 66 | (24) | - | - | - | - | 42 | - | 42 |
| Transfer to general reserve fund | - | - | - | - | 1,171 | - | (1,171) | - | - | - |
| Dividend to non-controlling shareholder of a subsidiary | - | - | - | - | - | - | - | - | (527) | (527) |
| Total comprehensive income for the period | - | - | - | - | - | 1,600 | 5,463 | 7,063 | 240 | 7,303 |
| At 31 March 2013 | 76,985 | (5,374) | (155) | 1,861 | 8,837 | (2,218) | 58,255 | 138,191 | 2,593 | 140,784 |
| Changes in equity for the period: | | | | | | | | | | |
| Purchase of own shares | - | (29) | - | - | - | - | - | (29) | - | (29) |
| Share-based payment transactions | - | - | - | 113 | - | - | - | 113 | - | 113 |
| Treasury shares reissued | - | 168 | (19) | - | - | - | - | 149 | - | 149 |
| Dividend paid of 1.25 cents per share | - | - | - | - | - | - | (10,536) | (10,536) | - | (10,536) |
| Total comprehensive income for the period | - | - | - | - | - | 2,655 | 7,758 | 10,413 | 350 | 10,763 |
| At 30 June 2013 | 76,985 | (5,235) | (174) | 1,974 | 8,837 | 437 | 55,477 | 138,301 | 2,943 | 141,244 |
| Changes in equity for the period: | | | | | | | | | | |
| Share-based payment transactions | - | - | - | 136 | - | - | - | 136 | - | 136 |
| Treasury shares re-issued | - | 192 | (32) | - | - | - | - | 160 | - | 160 |
| Transfer to general reserve fund | - | - | - | - | 2,397 | - | (2,397) | - | - | - |
| Dividend to non-controlling shareholder of a subsidiary | - | - | - | - | - | - | - | - | (730) | (730) |
| Total comprehensive income/(loss) for the period | - | - | - | - | - | (51) | 15,244 | 15,193 | 614 | 15,807 |
| At 30 September 2013 | 76,985 | (5,043) | (206) | 2,110 | 11,234 | 386 | 68,324 | 153,790 | 2,827 | 156,617 |
| Changes in equity for the period: | | | | | | | | | | |
| Share-based payment transactions | - | - | - | 136 | - | - | - | 136 | - | 136 |
| Transfer to general reserve fund | - | - | - | - | 974 | - | (974) | - | - | - |
| Total comprehensive income for the period | - | - | - | - | - | 1,339 | 5,631 | 6,970 | 289 | 7,259 |
| At 31 December 2013 | 76,985 | (5,043) | (206) | 2,246 | 12,208 | 1,725 | 72,981 | 160,896 | 3,116 | 164,012 |

(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 |
| At 1 January 2012 | 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) |
| At 31 March 2012 | 76,985 | (1,607) | (13) | 1,556 | 7,652 | (2,644) | 42,523 | 124,452 | 2,234 | 126,686 |
| Changes in equity for the period: | | | | | | | | | | |
| Purchase of own shares | - | (3,561) | - | - | - | - | - | (3,561) | - | (3,561) |
| Share-based payment transactions | - | - | - | 102 | - | - | - | 102 | - | 102 |
| Treasury shares reissued | - | 406 | (103) | - | - | - | - | 303 | - | 303 |
| Dividend paid of 0.75 cents per share | - | - | - | - | - | - | (6,463) | (6,463) | - | (6,463) |
| Total comprehensive income for the period | - | - | - | - | - | 831 | 5,908 | 6,739 | 231 | 6,970 |
| At 30 June 2012 | 76,985 | (4,762) | (116) | 1,658 | 7,652 | (1,813) | 41,968 | 121,572 | 2,465 | 124,037 |
| Changes in equity for the period: | | | | | | | | | | |
| Purchase of own shares | - | (540) | - | - | - | - | - | (540) | - | (540) |
| Share-based payment transactions | - | - | - | 67 | - | - | - | 67 | - | 67 |
| Treasury shares re-issued | - | 31 | (3) | - | - | - | - | 28 | - | 28 |
| Total comprehensive income for the period | - | - | - | - | - | (2,785) | 8,855 | 6,070 | 286 | 6,356 |
| At 30 September 2012 | 76,985 | (5,271) | (119) | 1,725 | 7,652 | (4,598) | 50,823 | 127,197 | 2,751 | 129,948 |
| Changes in equity for the period: | | | | | | | | | | |
| Purchase of own shares | - | (380) | - | - | - | - | - | (380) | - | (380) |
| Share-based payment transactions | - | - | - | 68 | - | - | - | 68 | - | 68 |
| Treasury shares re-issued | - | 308 | (12) | - | - | - | - | 296 | - | 296 |
| Transfer to general reserve fund | - | - | - | - | 14 | - | (14) | - | - | - |
| Dividend to non-controlling shareholder of a subsidiary | - | - | - | - | - | - | - | - | (13) | (13) |
| Total comprehensive income for the period | - | - | - | - | - | 780 | 3,154 | 3,934 | 142 | 4,076 |
| At 31 December 2012 | 76,985 | (5,343) | (131) | 1,793 | 7,666 | (3,818) | 53,963 | 131,115 | 2,880 | 133,995 |

(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 |
| At 1 January 2013 | 76,985 | (5,343) | (131) | 1,793 | 11,640 | 84,944 |
| Purchase of own shares | - | (97) | - | - | - | (97) |
| Share-based payment transactions | - | - | - | 68 | - | 68 |
| Treasury shares re-issued | - | 66 | (24) | - | - | 42 |
| Total comprehensive income for the period | - | - | - | - | 9,441 | 9,441 |
| At 31 March 2013 | 76,985 | (5,374) | (155) | 1,861 | 21,081 | 94,398 |
| Purchase of own shares | - | (29) | - | - | - | (29) |
| Share-based payment transactions | - | - | - | 113 | - | 113 |
| Treasury shares reissued | - | 168 | (19) | - | - | 149 |
| Total comprehensive loss for the period | - | - | - | - | 4,702 | 4,702 |
| Dividend paid of 1.25 cents per share | - | - | - | - | (10,536) | (10,536) |
| At 30 June 2013 | 76,985 | (5,235) | (174) | 1,974 | 15,247 | 88,797 |
| Share-based payment transactions | - | - | - | 136 | - | 136 |
| Treasury shares re-issued | - | 192 | (32) | - | - | 160 |
| Total comprehensive income for the period | - | - | - | - | 16,995 | 16,995 |
| At 30 September 2013 | 76,985 | (5,043) | (206) | 2,110 | 32,242 | 106,088 |
| Share-based payment transactions | - | - | - | 136 | - | 136 |
| Total comprehensive income for the period | - | - | - | - | 6,014 | 6,014 |
| As at 31 December 2013 | 76,985 | (5,043) | (206) | 2,246 | 38,256 | 112,238 |

(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 |
| At 1 January 2012 | 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 |
| At 31 March 2012 | 76,985 | (1,607) | (13) | 1,556 | 20,461 | 97,382 |
| Purchase of own shares | - | (3,561) | - | - | - | (3,561) |
| Share-based payment transactions | - | - | - | 102 | - | 102 |
| Treasury shares reissued | - | 406 | (103) | - | - | 303 |
| Total comprehensive loss for the period | - | - | - | - | (218) | (218) |
| Dividend paid of 0.75 cents per share | - | - | - | - | (6,463) | (6,463) |
| At 30 June 2012 | 76,985 | (4,762) | (116) | 1,658 | 13,780 | 87,545 |
| Purchase of own shares | - | (540) | - | - | - | (540) |
| Share-based payment transactions | - | - | - | 67 | - | 67 |
| Treasury shares re-issued | - | 31 | (3) | - | - | 28 |
| Total comprehensive income for the period | - | - | - | - | (1,530) | (1,530) |
| At 30 September 2012 | 76,985 | (5,271) | (119) | 1,725 | 12,250 | 85,570 |
| Purchase of own shares | - | (380) | - | - | - | (380) |
| Share-based payment transactions | - | - | - | 68 | - | 68 |
| Treasury shares re-issued | - | 308 | (12) | - | - | 296 |
| Total comprehensive loss for the period | - | - | - | - | (610) | (610) |
| As at 31 December 2012 | 76,985 | (5,343) | (131) | 1,793 | 11,640 | 84,944 |

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 were no share buy-back and no exercise of share options during the 4Q2013.

As at 31 December 2013, options to subscribe for 23,700,000 (31 December 2012: 19,030,000) ordinary shares remain outstanding.

The Company's issued and fully paid up shares as at 31 December 2013 comprised 843,739,580 (31 December 2012: 842,064,580) ordinary shares and 25,190,000 (31 December 2012: 26,865,000) treasury shares.

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

| | As at 31/12/2013 | As at 31/12/2012 |
|---|-------------------------|-------------------------|
| Total number of issued shares | 868,929,580 | 868,929,580 |
| Less: Treasury shares | (25,190,000) | (26,865,000) |
| Total number of issued shares excluding treasury shares | 843,739,580 | 842,064,580 |

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 30/09/2013 and 31/12/2013 | 25,190,000 | 5,043 |

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 2012.

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 2013 and it is not expected to have any significant impact on the Group's financial statements.

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

| Earnings per share | Q4 ended | | Full Year ended | |
|---|-------------------|-------------------|------------------------|-------------------|
| | 31/12/2013 | 31/12/2012 | 31/12/2013 | 31/12/2012 |
| (a) Based on the number of ordinary shares in issue (cents) | 0.67 | 0.37 | 4.05 | 2.32 |
| (b) On fully diluted basis (cents) | 0.66 | 0.37 | 4.01 | 2.31 |

The calculations of basic earnings per share for 4Q and full year ended 31 December 2013 are based on the net profits attributable to shareholders for the 4Q and full year ended 31 December 2013 divided by the weighted average number of ordinary shares outstanding of 843,739,580 and 842,814,005 respectively.

The calculations of basic earnings per share for 4Q and full year ended 31 December 2012 are based on the net profits attributable to shareholders for the 4Q and full year ended 31 December 2012 divided by the weighted average number of ordinary shares outstanding of 842,180,170 and 850,482,725 respectively.

The calculation of diluted earnings per share for 4Q and full year ended 31 December 2013 are based on the net profits attributable to shareholders for the 4Q and full year ended 31 December 2013 divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 854,806,098 and 851,114,328 respectively.

The calculations of diluted earnings per share for 4Q and full year ended 31 December 2012 are based on the net profits attributable to shareholders for the 4Q and full year ended 31 December 2012 divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 847,137,854 and 852,156,907 respectively.

- 7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
- (a) current financial period reported on; and**
(b) immediately preceding financial year.

| | Group | | Company | |
|--|------------|------------|------------|------------|
| | 31/12/2013 | 31/12/2012 | 31/12/2013 | 31/12/2012 |
| Net asset value per ordinary share (cents) based on number of issued shares excluding treasury shares at the end of: | 19.07 | 15.57 | 13.30 | 10.09 |

Net asset value per ordinary share was calculated based on 843,739,580 ordinary shares issued (excluding treasury shares) as at 31 December 2013 and 842,064,580 ordinary shares issued (excluding treasury shares) as at 31 December 2012.

- 8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Revenue

In the fourth quarter of FY2013, the Group achieved sales of \$14.63 million, an increase of 32.1% from the same period in FY2012, mainly attributable to increased visitation at our flagship attraction, Shanghai Ocean Aquarium ("SOA").

Combined visitation to our aquariums- SOA and Underwater World Xiamen (“UWX”) was 0.59 million visitors for the quarter, an increase of 17.1% compared to 4Q2012.

Cumulatively, overall revenue for FY2013 amounted to \$72.84 million, an increase of \$17.64 million or 32% compared to FY2012.

Operational Results

Other income for 4Q2013 increased \$0.23 million, or 21.2% from 4Q2012, mainly due to higher retail concessionaire income and certain government subsidies and cash award received by SOA and UWX.

Operating expenses for 4Q2013 decreased \$0.26 million, or 5.2% from 4Q2012. While variable cost increased in line with the higher revenue; other fixed operating expenses such as depreciation expense, staff cost, advertising and promotion expenses decreased.

Administrative expenses for 4Q2013 increased \$0.48 million, or 21.8% from 4Q2012, mainly due to higher staff cost and consultancy expenses, partially offset by higher foreign exchange gain recorded in the current period compared to 4Q2012.

Profit before tax was \$8.64 million for the current quarter, a significant increase of 70.4% compared to the profit before tax of \$5.07 million for 4Q2012, mainly due to the higher revenue achieved.

Balance Sheet items

Trade and other receivables increased 47.7% from \$2.79 million at 31 December 2012 to \$4.12 million at 31 December 2013, mainly due to increase in other receivables in SOA and UWX arising mainly from the interest receivables from RMB fixed deposits placements.

Other current assets increased significantly from \$0.29 million at 31 December 2012 to \$21.70 million at 31 December 2013, due to the deposit paid for the bidding of a project.

Reserves increased from \$167,000 at 31 December 2012 to \$10.93 million at 31 December 2013 mainly due to the amount of \$4.54 million transferred by SOA, UWX, and LLC from their retained earnings to general reserves, share option reserves of \$0.45 million recognised in the current period arising from share options granted, translation gain of \$5.54 million arising from the stronger RMB currency against SGD as RMB appreciated by approximately 6% at the end of the current year compared to the end of last year; and net decrease in treasury shares from share buyback of \$126,000 and treasury shares reissued of \$426,000; offset by loss on reissued of treasury shares of \$75,000.

Trade and other payables increased 51.8% from \$6.74 million at 31 December 2012 to \$10.23 million at 31 December 2013, mainly to the increase at SOA arising from higher amount accrued for 4Q land rental payable arising from the higher revenue earned, higher amount accrued for performance bonus, as well as advance from a potential partner for the joint bidding of a project.

Current tax liabilities increased 21.1% from \$5.80 million at 31 December 2012 to \$7.02 million in 31 December 2013, mainly due to higher provision of PRC withholding tax payable in the current year as higher amounts of PRC dividends are declared by the subsidiaries, as well as provision of income tax for 4Q profits of SOA, UWX, and LLC.

Cash flow Statement

The Group generated net cash from operating activities amounting to \$35.67 million in FY2013, an increase of 29.6% compared to the operating cash flow generated in FY2012. Net cash used in investing activities amounted to \$19.46 million, as the Company paid out \$21.2 million as deposit required for the bidding of a project, while a subsidiary received \$1.29 million for the disposal of a Land Use Rights to the local government. During the year, the Company used \$10.54 million to pay out dividend and received \$2.1 million from a potential partner for the bidding of the above-mentioned project. As at 31 December 2013, the Group's cash and cash equivalent balance amounted to \$108.06 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.

For the whole of 2013, the Chinese economy grew a stable 7.7%; setting the stage for the government to focus on economic reforms this year and anti-corruption campaign, which augur well for China's economic and social stability in the long run. The Chinese government has been shifting its economic reliance away from exports and foreign trade to domestic consumption. This directly benefits China's tourism industry. According to the World Travel and Tourism Council, travel and tourism generated 9.3% of China's GDP in 2013. Domestic tourism is expected to continue to grow with the nation's increasing affluence and accessibility. This augurs well for the Group.

The first China Tourism Law, which came into effect on 1st October 2013, is reshaping the domestic travel industry, and has increased the number of higher-yielding free independent travellers (FITs) to Straco's attractions since its implementation. It is expected that the new law will strengthen long term regulation of the travel industry.

11. Dividend

(a) Current Financial Period Reported On

Any interim (final) dividend declared (recommended) for the current financial period reported on? Yes

The Board of Directors is pleased to recommend a first and final dividend and a special dividend as follows:

| Name of Dividend | First & Final (One-tier) | Special (One-tier) |
|--------------------------------------|------------------------------|------------------------------|
| Dividend Type | Cash | Cash |
| Dividend Amount per Share (in cents) | 1.25 cent per ordinary share | 0.75 cent per ordinary share |
| Tax Rate | Tax Exempt | Tax Exempt |

The dividends are for approval by the shareholders at the next Annual General Meeting to be announced.

(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) | Special (One-tier) |
|--------------------------------------|------------------------------|------------------------------|
| Dividend Type | Cash | Cash |
| Dividend Amount per Share (in cents) | 0.75 cent per ordinary share | 0.50 cent per ordinary share |
| Tax Rate | Tax Exempt | Tax Exempt |

(c) Date payable

To be announced.

(d) Books closure date

To be announced.

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

Not applicable.

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

No IPT mandate has been obtained.

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

Not applicable.

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.

The Group is principally engaged in the development and operation of tourism-related attractions. Retail, food and beverage are auxiliary goods and services arising from the operations of the above facilities.

The Group has one reportable segment, as described below, which consists of the Group's strategic business units which are managed separately. For each of the strategic business units, the Group's Executive Chairman ("EC") reviews internal management reports on a monthly basis. The following summary describes the operations of the Group's reportable segment:

- Aquariums – Operation of aquatic-related facilities and tourist attractions, including dolphin and sealion performances. Retail, food and beverage are auxiliary goods and services arising from the operation of the above facilities.

Other operations include the operation of cable-car facility and show performances. None of these segments meets any of the quantitative thresholds for determining reportable segments in 2013 and 2012.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's EC. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

| | Aquariums | | Others | | Total | |
|---|-----------|---------|---------|---------|---------|---------|
| | FY2013 | FY2012 | FY2013 | FY2012 | FY2013 | FY2012 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| External revenues | 68,881 | 51,855 | 3,959 | 3,343 | 72,840 | 55,198 |
| Interest revenue | 3,052 | 2,611 | 169 | 114 | 3,221 | 2,725 |
| Interest expense | - | - | 8 | 9 | 8 | 9 |
| Depreciation | 3,730 | 4,515 | 133 | 134 | 3,863 | 4,649 |
| Reportable segment profit before income tax | 49,010 | 31,741 | 2,668 | 1,606 | 51,678 | 33,347 |
| Reportable segment assets | 130,422 | 125,628 | 10,893 | 8,390 | 141,315 | 134,018 |
| Capital expenditure | 999 | 898 | 407 | 237 | 1,406 | 1,135 |
| Reportable segment liabilities | 47,704 | 44,512 | 4,765 | 3,501 | 52,469 | 48,013 |

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

| | FY2013 | FY2012 |
|---|----------------|----------------|
| | S\$'000 | S\$'000 |
| Revenues | | |
| Total revenue for reportable segments | 68,881 | 51,855 |
| Other revenue | 3,959 | 3,343 |
| Consolidated revenue | <u>72,840</u> | <u>55,198</u> |
| Profit before tax | | |
| Total profit for reportable segments | 49,010 | 31,741 |
| Other profit | 2,668 | 1,606 |
| | <u>51,678</u> | <u>33,347</u> |
| Unallocated amounts: | | |
| - Head office and corporate expenses | (2,975) | (5,020) |
| - Head office and corporate income | 40 | 45 |
| - Elimination on consolidation | 1,527 | 1,715 |
| Consolidated profit before income tax | <u>50,270</u> | <u>30,087</u> |
| Assets | | |
| Total assets for reportable segments | 130,422 | 125,628 |
| Other assets | 10,893 | 8,390 |
| Unallocated head office and corporate assets | 88,035 | 57,504 |
| Elimination on consolidation | (46,027) | (42,643) |
| Consolidated total assets | <u>183,323</u> | <u>148,879</u> |
| Liabilities | | |
| Total liabilities for reportable segments | 47,704 | 44,512 |
| Other liabilities | 4,765 | 3,501 |
| Unallocated head office and corporate liabilities | 12,869 | 9,514 |
| Elimination on consolidation | (46,027) | (42,643) |
| Consolidated total liabilities | <u>19,311</u> | <u>14,884</u> |

| Other material items | Reportable segment totals | Other segment totals | Unallocated corporate amounts | Consolidation eliminations | Consolidation totals |
|-----------------------------|----------------------------------|-----------------------------|--------------------------------------|-----------------------------------|-----------------------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| FY2013 | | | | | |
| Interest revenue | (3,052) | (169) | (29) | - | (3,250) |
| Interest expense | - | 8 | 2 | (8) | 2 |
| Capital expenditure | 999 | 407 | 30 | - | 1,436 |
| Depreciation | 3,730 | 133 | 84 | - | 3,947 |
| FY2012 | | | | | |
| Interest revenue | (2,611) | (114) | (31) | - | (2,756) |
| Interest expense | - | 9 | - | (9) | - |
| Capital expenditure | 898 | 237 | - | - | 1,135 |
| Depreciation | 4,515 | 134 | 85 | - | 4,734 |

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.

Please refer to Note 8 above.

17. A breakdown of sales.

| | | 2013 S\$'000 (Actual) | 2012 S\$'000 (Actual) | Increase/ (Decrease) % |
|-----|--|-----------------------------|-----------------------------|------------------------------|
| (a) | Sales reported for first half year | 27,691 | 22,827 | 21 |
| (b) | Operating profit after tax before deducting minority interests reported for first half year | 13,662 | 7,985 | 71 |
| (c) | Sales reported for second half year | 45,149 | 32,371 | 39 |
| (d) | Operating profit after tax before deducting minority interests reported for second half year | 21,731 | 12,508 | 74 |

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

| | Latest Full Year (S\$'000) | Previous Full Year (S\$'000) |
|------------|-------------------------------|---------------------------------|
| Ordinary | 16,875 | 10,536 |
| Preference | - | - |
| Total | 16,875 | 10,536 |

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.

| 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 | 33 | Daughter of Mr Wu Hsioh Kwang and Mdm Chua Soh Har | Senior Vice President, 2011 | Not applicable |
| Wu Xiuzhuan | 32 | Son of Mr Wu Hsioh Kwang and Mdm Chua Soh Har | Vice President (Corporate Development), 2009 | Not applicable |

BY ORDER OF THE BOARD,

Lotus Isabella Lim Mei Hua
Company Secretary
28 February 2014