

**STRACO CORPORATION LIMITED**  
(Company Registration Number: 200203482R)

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**CLARIFICATION ON ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**  
**(“ANNUAL REPORT 2014”)**

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The Board of Directors of Straco Corporation Limited (the “Company”) refers to the Annual Report 2014.

Singapore Exchange Securities Trading Limited has raised the following queries in relation to the corporate governance report. The Company’s responses to the queries are as follows:

**Query 1**

*Paragraph 11.3 of the Code of Corporate Governance states that the Board should also comment in the company’s Annual Report on whether it has received assurance from the CEO and the CFO: (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the company’s operations and finance; and (b) regarding the effectiveness of the company’s risk management and internal control systems. Please make the disclosure in accordance and recommended in the Code or otherwise explain any deviation from the recommendation.*

**Company’s response**

The Board has received assurance from the CEO and the CFO:

- a) that the financial records of the Group have been properly maintained and the financial statements for the year ended 31 December 2014 give a true and fair view of the Group’s operations and finances; and
- b) regarding the effectiveness of the Group’s risk management systems and internal control systems.

**Query 2**

*Please disclose the “Interested Person Transactions” in Rule 907 format*

**Company’s response**

Name of Interested Person	Aggregate value of all interested person transactions during the financial year ended 2014 (excluding transactions less than \$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920) (S\$’000)	Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) (S\$’000)
Shanghai Poly Technologies Co. Ltd	388	N.A. – the Company does not have a shareholders’ mandate for interested person transactions

**Query 3**

*Paragraph 9.4 of the Code of Corporate Governance states that the annual remuneration should disclose the details of the remuneration of employees who are immediate family members of a director or the CEO and whose remuneration exceeds S\$50,000 during the year. Please make the disclosure recommended in the Code or otherwise explain any deviation from the Code.*

Company's response

Ms Wu Xiuyi and Mr Wu Xiuzhuan is the daughter and son respectively of the Executive Chairman and their respective remuneration for the financial year ended 31 December 2014 are disclosed on Page 19 of the Annual Report 2014.

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua  
Company Secretary  
Date: 20 April 2015