Annual Report 2022

STRACO
星雅集团

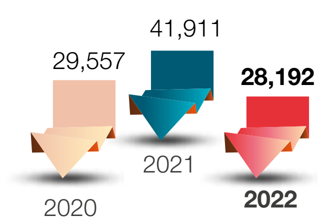
Contents

Financial Highlights

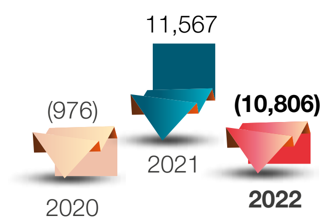
Year ended 31 December

	2022	2021	2022 vs 2021 Change %
INCOME STATEMENT (S$'000)			
Revenue	**28,192**	41,911	*(32.7)*
Loss/(Profit) before tax	**(11,586)**	16,546	*n.m.*
Attributable net (loss)/ profit	**(10,806)**	11,567	*n.m.*
STATEMENT OF FINANCIAL POSITION (S$'000)			
Shareholders' equity	**249,851**	278,980	*(10.4)*
Total assets	**338,893**	376,907	*(10.1)*
Total cash	**151,684**	178,494	*(15.0)*
Total borrowings	**8,034**	8,602	*(6.6)*
FINANCIAL RATIO (%)			
Return on average shareholders' equity:			
- (Loss)/ Profit before tax	**(4.38)**	6.03	*n.m.*
- Attributable net (loss)/ profit	**(4.09)**	4.22	*n.m.*
PER SHARE DATA (CENTS)			
Attributable net (loss)/ profit	**(1.26)**	1.35	*n.m.*
Net assets	**29.22**	32.63	*(10.5)*

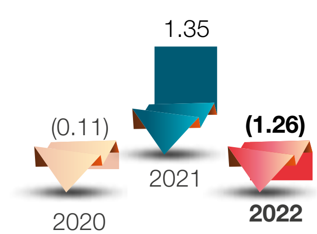
Revenue (S$'000)



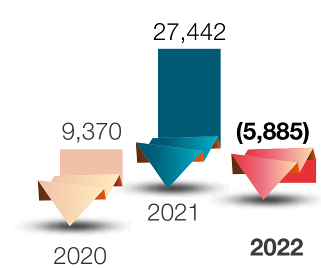
Net profit/ (loss) (S$'000)



EPS (cents)



EBITDA* (S$'000)



** EBITDA= Earnings before interest, taxes, depreciation, amortisation and impairment loss*

Chairman's Statement

EMERGING FROM A LONG WINTER

After 3 challenging years, the tourism sector can finally look forth to better times. With Singapore adjusting the Disease Outbreak Response System Condition (DORSCON) from yellow to green, and China relaxing its stringent Covid control measures, it became clear that the COVID-19 pandemic had finally abated. We have now seen the gradual removal of most, if not all, of the precautionary measures that were put in place at the height of the pandemic. This is significant for the revival of the tourism industry.

Looking back, 2022 saw the gradual return of tourists to Singapore with the relaxing of quarantine, visa requirements and more flights taking off; by end 2022, the Singapore Tourism Board (STB) had recorded visitor numbers of 6.3 million, one-third of its historical peak in 2019 just before the pandemic, while tourism receipts were estimated to reach $13.8 billion to $14.3 billion about 50 to 52 per cent of 2019 levels.

In China, an outbreak at the beginning of the year in Shanghai resulted in a city-wide lockdown. Shanghai Ocean Aquarium (SOA) was voluntarily closed during the period of lockdown, for the safety of both our staff and the general public. At the same time, we had taken the requisite measures to protect our assets; a core team of curatorial staff in Shanghai would stay in the aquarium to ensure the wellbeing and safety of our live specimens until the lifting of the lockdown.

In Xiamen and Xi'an, while there were no widespread lockdowns that necessitated closure of our attractions, stricter quarantine measures and restrictions on interprovincial travel resulted in domestic tourism grounding to a halt, with visitor numbers falling to a fraction of the year before. The Shanghai lockdown was finally lifted in June, although the strict testing and quarantine measures, along with border controls would only see significant easing in December 2022.

In summary, 2022 was to be the final but most challenging year of the pandemic for Straco, as China's zero-Covid policy precipitated a sharp fall in revenue for our attractions from the preceding year. In Singapore, the gradual easing of Covid measures kick-started our tourism recovery and visitor numbers in Singapore - although the government's transition to a post-Covid phase also meant the withdrawal of financial support in the form of job support schemes and tourism vouchers. Other factors would be due to the one-off arbitration award to the Group in 2021, as well as exchange losses as the Chinese yuan weakened against the Singapore dollar in the year.

For the year ended 31 December 2022, the Group registered net losses of $10.81 million, including exchange losses of $5.37 million; while net operating cash outflow was $2.99 million.

Notwithstanding the difficulties of the past year, our balance sheet remains strong with a net cash holding of $142.65 million. We will continue to deploy this cash for our regular asset enhancements, and will remain open to any collaborations or M&A opportunities that come our way.

We propose a first and final dividend of 1.0 cent per share. This is in appreciation of the continued support from our shareholders and various stakeholders, especially in the face of the challenges of the pandemic.

CAUTIOUS OPTIMISM FOR THE YEAR AHEAD

With the easing of community and border measures in Singapore and China, we are expecting a strong rebound in our visitor numbers in 2023, although headwinds to the global economy, including geopolitical tensions, rising inflation and labour shortages will continue to dampen growth as they have in the last three years. As we ramp up our operations with the general recovery, we will continue to adapt and innovate to ensure our long-term sustainability.

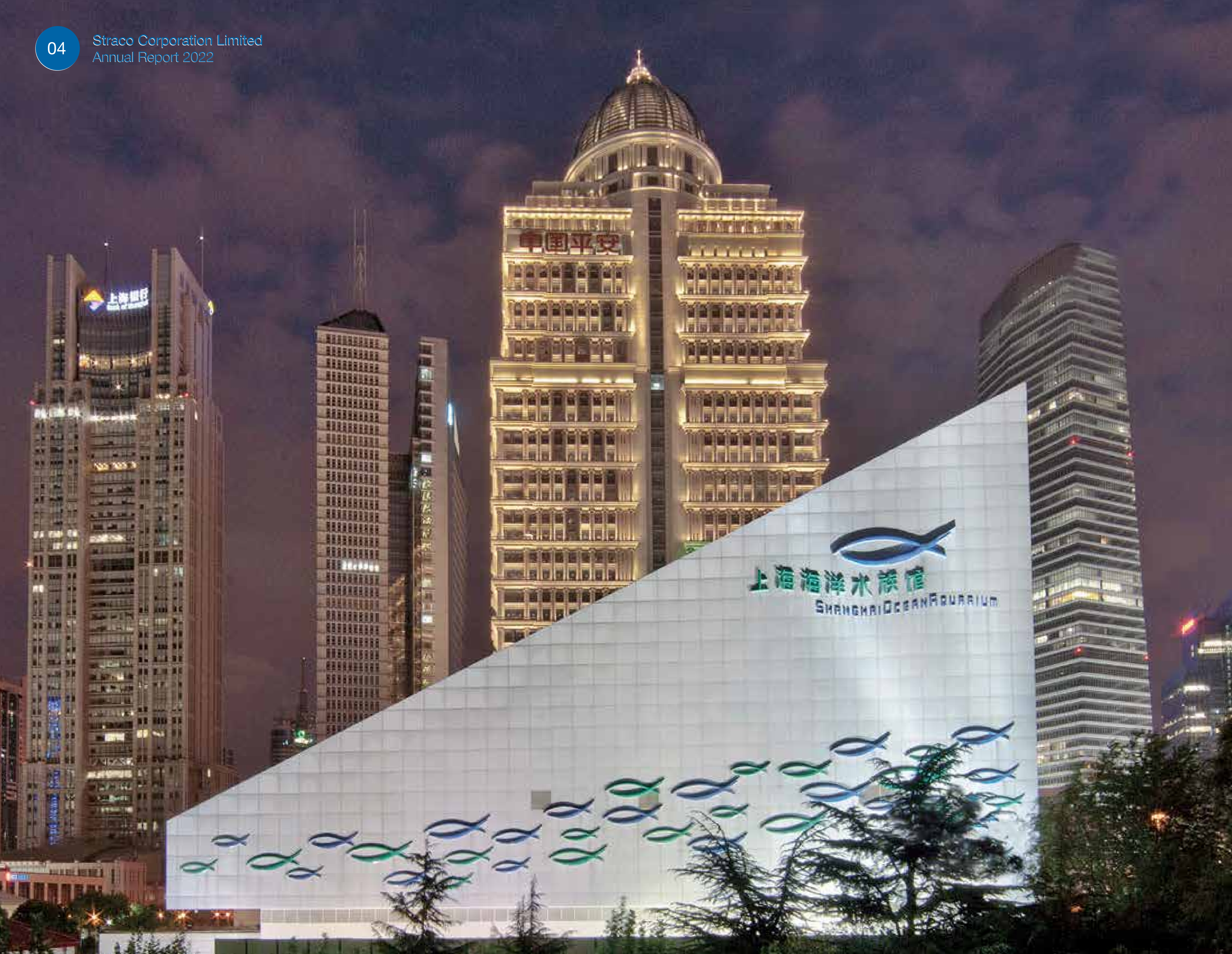
A WORD OF THANKS

As Singapore and China reopen, I would like to express my gratitude to our frontline teams, directors and business partners for supporting us throughout these past three years of the pandemic:

- Our staff and managers at our subsidiaries for their patience and dedication to their jobs, often going above and beyond their assigned roles to safeguard the viability of our operations, and to ensure a positive and pleasant experience for our visitors.
- Our various other stakeholders, business associates and professional consultants who have helped us.
- My fellow directors on the Board and all directors of our group companies for their valuable counsel and contributions.
- Our shareholders for their trust and understanding, and their continued support throughout this challenging period.

With the global economy still fraught with multiple challenges, we expect more bumps in the road ahead, but together with our battle-hardened teams, we will press on while staying firmly focused on our business fundamentals, sustainable development as well as generating new value through quality investments.

Wu Hsioh Kwang
Executive Chairman


上海海洋水族馆
SHANGHAI OCEAN AQUARIUM

Corporate Information

BOARD OF DIRECTORS

Mr. Wu Hsioh Kwang (Executive Chairman)
Mr. Li Weiqiang
Mdm. Chua Soh Har
Mr. Tay Siew Choon (Lead Independent Director)
Mr. Lim Song Joo
Mr. Hee Theng Fong
Mr. Teo Ser Luck
Ms. Wu Xiuyi (Alternate Director to Mr. Wu Hsioh Kwang)
Mr. Sean Wu Xiuzhuan (Alternate Director to Mdm. Chua Soh Har)

AUDIT & RISK COMMITTEE

Mr. Lim Song Joo (Chairman)
Mr. Hee Theng Fong
Mr. Teo Ser Luck

REMUNERATION COMMITTEE

Mr. Tay Siew Choon (Chairman)
Mr. Teo Ser Luck
Mdm. Chua Soh Har

NOMINATING COMMITTEE

Mr. Tay Siew Choon (Chairman)
Mr. Hee Theng Fong
Mr. Wu Hsioh Kwang

REGISTERED OFFICE

10 Anson Road #30-15
International Plaza
Singapore 079903
Tel: 65 6223 3082
Fax: 65 6223 3736

COMPANY SECRETARY

Mdm. Lotus Isabella Lim Mei Hua

SHARE REGISTRARS AND TRANSFER OFFICE

Tricor Barbinder Share Registration Services
(a division of Tricor Singapore Pte Ltd)

80 Robinson Road, #02-00
Singapore 068898
Tel: 65 6236 3333
Fax: 65 6236 3405

PRINCIPAL BANKERS

Bank of Shanghai
China Construction Bank
DBS Bank Limited
Industrial and Commercial Bank of China Limited
United Overseas Bank Limited

AUDITOR

PricewaterhouseCoopers LLP
7 Straits View, Marina One,
East Tower, Level 12
Singapore 018936

Partner-in-charge:
Mr. Lee Kok Hooi (since 27 April 2021)

INTERNAL AUDITOR

Ernst & Young Advisory Pte Ltd

SENIOR MANAGEMENT

Mr. Wu Hsioh Kwang
Executive Chairman

Mr. Amos Ng Chiau Meng
Chief Financial Officer

Mr. Wang Liang
Senior Vice President (Operations, China)

Mr. Zhao Aimin
Senior Vice President (Cable Car Operations)

Mdm. April Ng Kim
Senior Vice President

Ms. Wu Xiuyi
Senior Vice President

Mr. Sean Wu Xiuzhuan
Senior Vice President
(Corporate Development & Risk Management)

Board of Directors

MR. WU HSIOH KWANG
Executive Chairman / Executive Director

Mr. Wu Hsioh Kwang is the founder of Straco Corporation Limited and has been instrumental in driving the Group's growth since its inception. Mr. Wu was appointed as Executive Chairman of the Company in March 2003, to lead the Group in its strategic vision and overall management. As Chairman of the Board, Mr. Wu provides valuable business insight and guidance to the Board in developing growth strategies for the Group's businesses. Mr. Wu's other appointments include, Senior Honorary Council Member of Singapore Chinese Chamber of Commerce and Industry, First Vice-Chairman (China & North Asia Business Group) of Singapore Business Federation, and Vice-Chairman of Singapore Chinese Orchestra. He is also Director of Confucius Institute, Board Member of Sun Yat Sen Nanyang Memorial Hall, as well as Board Member of the Haas School of Business. In 2015, Mr. Wu was awarded the White Magnolia Award in Shanghai for his contributions to the Municipal City of Shanghai. In 2016, he received the Public Service Medal at the Singapore National Day Awards, and in the same year, he was awarded the Nanyang Distinguished Alumni Award by Nanyang Technological University (Singapore). Mr. Wu holds a Bachelor of Commerce degree from the former Nanyang University (Singapore).

MR. TAY SIEW CHOON
Lead Independent Director

Mr. Tay Siew Choon has been an Independent Director since November 2003 and was appointed as Lead Independent Director on 1 March 2014. He was the Managing Director and Chief Operating Officer of Singapore Technologies Pte Ltd till 31st March 2004. He is currently a director of TauRx Therapeutics Ltd, Wista Laboratories Ltd, Gotruck Holdings Pte Ltd and Poredeen Pte Ltd. He is also the Chairman of GoTruck Pte Ltd, Non-Executive Chairman of Pan-United Corporation Ltd and Deputy Chairman of TauRx Pharmaceuticals Ltd. Mr. Tay graduated from Auckland University with a Bachelor of Engineering (Electrical) degree with Honours under a Colombo Plan Scholarship. He also holds a Master of Science in Systems Engineering from the former University of Singapore.

MR. LIM SONG JOO
Independent Director

Mr. Lim Song Joo was appointed as a non-Executive Director in May 2011 and re-designated as Independent Director from 29 February 2012. He was the Chief Financial Officer of Macao Studio City (Hong Kong) Limited, an integrated leisure resort properties Group, from 2007 to 2009. From 1987 to 2007, Mr. Lim also had held various senior management positions with MediaCorp Pte Ltd, Temasek Holdings Pte Ltd, StarHub Ltd, Singapore Technologies Industrial Corporation Ltd, and Singapore Computer Systems Limited. Mr. Lim graduated from the former University of Singapore with a Bachelor of Accountancy degree (Hons). He is a Fellow Member of the Chartered Institute of Management Accountants (FCMA) in the United Kingdom and a Fellow Member of the Institute of Singapore Chartered Accountants (FCA).

MR. HEE THENG FONG

Independent Director

Mr. Hee Theng Fong was appointed as an Independent Director in April 2016. He is a senior lawyer in Singapore with over 40 years of experience. Mr. Hee has handled more than two hundred cases in civil litigation and international arbitration as lead counsel, presiding arbitrator, co-arbitrator and sole arbitrator. He is now a full-time independent arbitrator and mediator. He is on the panel of arbitrators of SIAC, CIETAC, BAC/BIAC, SHIAC, HKIAC, HIAC and AIAC. Mr. Hee is also a specialist Mediator (China) and Ambassador of Singapore International Mediation Centre.

Mr. Hee also serves as a director of several listed companies. He has been regularly invited to speak on directors' duties and corporate governance.

Mr. Hee also serves as the Deputy Chairman of Singapore Medishield Life Council and a board member of the Singapore Traditional Chinese Medicine Practitioners Board. He is a member of Advisory Committee for the China Ready Programme under the Ministry of Law and a committee member of ACRA's Complaints and Disciplinary Panel. He is also a member of the Singapore-China Joint Experts Team jointly formed by the Ministry of Law and the China Council for the Promotion of the International Trade. Mr. Hee has been appointed as a Justice of Peace (JP) since 2018.

MR. TEO SER LUCK

Independent Director

Mr. Teo Ser Luck was appointed as an Independent Director in July 2019. He is currently the Independent Non-Executive Chairman of BRC Asia Limited and Serial Systems Limited, Lead Independent Director of China Aviation Oil (Singapore) Corporation Limited, and Independent Director of Yanlord Land Group Limited and Super Hi international Holding Limited.

Mr. Teo is an entrepreneur and investor with business ventures in various sectors, mainly technology related in the areas of e-commerce, finance, education, food, hardware, general commodities, sports and fitness, event management and consumer brand and franchise. He is the founding investor of a listed software company.

He was Adviser to the Institute of Chartered Accountants of Singapore ("ISCA") from 2009 to March 2022 and is currently the President of ISCA. He is also Advisor to the Singapore Fintech Association.

Mr. Teo was a Member of the Parliament ("MP") of Singapore representing the Pasir Ris-Punggol Group Representation Constituency from May 2006 to July 2020. In his 11 years of full-time political office holder till July 2017, he had served as Minister of State for Trade and Industry, Minister of State for Manpower, Mayor of the North East District of Singapore and coordinating Chairman of Mayors Committee. He was also the Senior Parliamentary Secretary in the Ministry of Community Development, Youth and Sports, and Ministry of Transport. Mr. Teo holds a Bachelor of Accountancy Degree from the Nanyang Technological University, Singapore.

MDM. CHUA SOH HAR

Non-Executive Director

Mdm. Chua Soh Har, spouse of Mr. Wu Hsioh Kwang, was appointed as a non-Executive Director in June 2010. Mdm. Chua played an instrumental role in the establishment of Straco Corporation Limited. Together with Mr. Wu, Mdm. Chua was a founding member of the Group's China businesses. Mdm. Chua is a director of non-listed Straco Holding Pte Ltd, the substantial shareholder of Straco Corporation Limited. With more than 30 years of experience in business management, international trading and investment, she has provided much guidance and advice for new opportunities that are relevant to the Group's businesses. Mdm. Chua holds a Bachelor of Commerce degree from the former Nanyang University (Singapore).

MR. LI WEIQIANG

Non-Executive Director

Mr. Li Weiqiang was appointed as a non-Executive Director in October 2012. He is currently Executive Vice President of Poly Culture Group Corporation Ltd. In his previous role as director of Enterprise Development Department of China Poly Group Corporation, he was responsible for the Group's strategic planning, development of annual plan, day-to-day management and investment project management, etc. Mr. Li has vast experience in the areas of strategic planning, business management, and investment management. He holds a PhD Degree in Management from University of International Business and Economics, Beijing.

Management and Operational Team

MR. WU HSIOH KWANG

Executive Chairman
Chief Executive Officer

Mr. Wu Hsioh Kwang is the founder of Straco Corporation Limited and has been instrumental in driving the group's growth since its inception. Mr. Wu was appointed as Executive Chairman of the Company in March 2003, to lead the Group in its strategic vision and overall management. As Chairman of the Board, Mr. Wu provides valuable business insight and guidance to the Board in developing growth strategies for the Group's businesses. Mr. Wu's other appointments include, Senior Honorary Council Member of Singapore Chinese Chamber of Commerce and Industry, First Vice-Chairman (China & North Asia Business Group) of Singapore Business Federation, and Vice-Chairman of Singapore Chinese Orchestra. He is also Director of Confucius Institute, Board Member of Sun Yat Sen Nanyang Memorial Hall, as well as Board Member of the Haas School of Business. In 2015, Mr. Wu was awarded the White Magnolia Award in Shanghai for his contributions to the Municipal City of Shanghai. In 2016, he received the Public Service Medal at the Singapore National Day Awards, and in the same year, he was awarded the Nanyang Distinguished Alumni Award by Nanyang Technological University (Singapore). Mr. Wu holds a Bachelor of Commerce degree from the former Nanyang University (Singapore).

MR. AMOS NG CHIAU MENG

Chief Financial Officer
Senior Vice President (Finance & Administration)

Mr. Amos Ng Chiau Meng joined us in September 2000. He is responsible for the finance and accounting, human resources and administration, and financial reporting and statutory compliance of our Group. Prior to joining the Group, Mr. Ng worked with PSA Corporation Ltd as the General Manager of its overseas JV subsidiary – China Merchants-PSA Logistics Network Co. Mr. Ng's other appointments include, member of the Finance & Investment Committee of Singapore Chinese Cultural Centre; member of the Ethics Committee of the Institute of Singapore Chartered Accountants (ISCA); Global Council Member of ACCA; and Chairman of the Audit Committee of the Autism Association (Singapore). Mr. Ng also served as Chairman of Network Panel ACCA Singapore from 2015 to 2017 and was a member of the Practice Monitoring sub-committee with Accounting and Corporate Regulatory Authority (ACRA) from 2016 to 2022. Mr. Ng is both a Fellow Member of the Institute of Singapore Chartered Accountants (FCA) and a Fellow Member of the Association of Chartered Certified Accountants (FCCA).

MR. WANG LIANG

Senior Vice President (Operations, China)
General Manager – Shanghai Ocean Aquarium (SOA)

Mr. Wang Liang joined us in January 1997. He oversees the management and operations at Shanghai Ocean Aquarium (SOA). He has been involved in the initial development and the operation of SOA since its inception. Prior to joining the Group, Mr. Wang was the Manager of the Shanghai office of China Poly Group Corporation. Mr. Wang holds a diploma in engineering from Aeronautical Technology Institute of People's Liberation Army (Navy).

MDM. APRIL NG KIM

Senior Vice President
Assistant to Executive Chairman

Mdm. April Ng Kim joined us in January 1997. She assists the Executive Chairman in monitoring the daily operations of the Group's subsidiaries and facilitating internal communication. Prior to joining the Group, Mdm. Ng was the Secretary in charge of Chinese Affairs with Golden Resources Development Ltd (Hong Kong). Her other experiences include serving as Office Manager with Ta Kung Industrial Co., Ltd (Ta Kung Pao Hong Kong). Mdm. Ng graduated from Jiangnan University with a degree in Chinese Language and Literature.

MS. WU XIUYI

Senior Vice President
Assistant to Executive Chairman

Ms. Wu Xiuyi joined us in October 2004. She assists the Executive Chairman in monitoring the daily operations of the Group's subsidiaries. Ms. Wu has been involved in various management roles within the Group, including marketing, human resource, operations and business development. She was the Assistant General Manager at Shanghai Ocean Aquarium and is currently a director for a few subsidiaries of the Group in Singapore and China. Before joining us, Ms. Wu has worked at a Singapore law firm and an international audit firm. She holds a Bachelor of Arts (Psychology) Degree from the University of Sydney.

MR. ZHAO AIMIN

Senior Vice President (Cable Car Operations, China)

Mr. Zhao Aimin joined us in March 1992. He oversees the management and operations of our cable-car service and the Chao Yuan Ge development project under Xi'an Lintong Zhongxin Tourism Development Co., Ltd. He was the former General Manager of Lintong Lixing Cable Car and X'ian Lintong Zhongxin Tourism Development Co. Ltd. Prior to joining the Group, Mr. Zhao was the Deputy Director of Lintong Cultural Heritage Bureau and has held various senior positions in the Xi'an and Lintong government sectors.

MR. SEAN WU XIUZHUAN

Senior Vice President (Corporate Development & Risk Management)

Mr. Sean Wu joined the Group in November 2007. In his current role, he works with the key management team at the Group level to oversee operations and capability development at our subsidiaries, and to conduct quality control and due diligence for new investment. Since joining, he has been involved in the execution of key M&A transactions including Underwater World Xiamen and the Singapore Flyer. He coordinates the Group's risk management efforts, reporting to the Audit and Risk Committee of the BOD

Prior to joining the Group, Mr. Wu served as Senior Officer at the Singapore Economic Development Board. He holds a Bachelor's Degree in Economics from University College London and a Master Degree in Business Administration from the Haas School of Business at the University of California, Berkeley. Mr. Wu currently serves as a Council Member at the Singapore Chinese Chamber of Commerce and Industry, and is also a board member of the Jazz Association (Singapore).

MR. RINGO LEUNG KWOK HO

Vice President (Operations, Singapore)
General Manager – Singapore Flyer (SF)

Mr. Ringo Leung joined us in January 2015. He is in charge of the management and operations at Singapore Flyer. Prior to joining the Group, Mr. Leung was the General Manager of NEX, one of Singapore's largest regional malls. Mr. Leung has more than 30 years of experience in the lifestyle, leisure and hospitality industries across Singapore, Hong Kong and Mainland China. Mr. Leung holds a Master of Arts degree in Sport and Recreation Management from the Victoria University of Technology, Australia.

MR. JIM YANG YONG

Vice President (Marketing & Sales, China)
Deputy General Manager – Shanghai Ocean Aquarium (SOA)
Director (Marketing & Sales) – Shanghai Ocean Aquarium (SOA)

Mr. Jim Yang Yong joined us in June 2013. He is responsible for the areas of marketing and sales, retail and operations at our subsidiaries in China. Mr. Yang has more than 20 years of experience in the tourism industry in China with a strong focus on Marketing and Sales and Attraction Management. Prior to joining us, Mr. Yang worked for Merlin Entertainments Group as Marketing Director of Shanghai Cluster and General Manager of Madame Tussauds Shanghai. Mr. Yang holds a Diploma in Educational Communication & Technology from Shanghai International Studies University, and a Master Degree in International Hotel & Tourism Management from Institut Vatel (France).

MR. WANG XIAOPING

Vice President (Finance, China)
Deputy General Manager – Shanghai Ocean Aquarium (SOA)
Director (Finance) – Shanghai Ocean Aquarium (SOA)

Mr. Wang Xiaoping joined the group in December 2011. He is responsible for financial accounting, internal controls and finance functions at Shanghai Ocean Aquarium. He also supervises the finance functions of our other subsidiaries in China. Mr. Wang has over 30 years of experience in the finance profession. Prior to joining the group, he has worked in Shanghai Ming De Meritus Hotel as Financial Controller and has held various senior positions in the hospitality industry. Mr. Wang graduated from Shanghai Commercial Accounting School in 1980 and holds an Intermediate Accounting Certificate conferred by the Ministry of Finance of the People's Republic of China.

MR. CHARLES CAI YIWEI

Vice President (Technical,China)
General Manager – Underwater World Xiamen (UWX)
Director (Technical) – Shanghai Ocean Aquarium (SOA)

Mr. Charles Cai Yiwei joined us in March 2011. He is involved in the areas of technical-related matters at our subsidiaries in China. As of January 2016, Mr. Cai has been overseeing overall operations at Underwater World Xiamen as General Manager. Prior to joining us, Mr. Cai was the Deputy General Manager of Shanghai Aufun Investment Consulting and Project Manager at the TOA Canada Corporation, Siemens Building Technologies Ltd and Frisco Bay Industry Ltd. Mr. Cai holds a Master Degree in Material Science and Engineering from Shanghai Jiao Tong University and has received the Global Credential – Project Management Professional by Project Management Institute (USA) in 2001. Mr. Cai also serves as Supervisor of The Fifth Supervisory Board (2018-2023) at Xiamen Tourism Association, Representative of the Eighth Congress of Xiamen Society of Science and Technology (2019-2024), Member of the Seventh Council of Xiamen Association of Enterprises with Foreign Investment (XAEFI) (2019-2024), Member of the first organization of Chinese White Dolphin Conservation Alliance (CWDCA), Member of Shanghai Overseas Returned Scholars Association (SORSA), Representative of the Fourth Congress of Siming District Association for Science and Technology (2023-2028), Honorary member of Siming District Science and Technology Association (2023-2028).

MS. JANE PENG LIJIN

Vice President (Education Experiences, China)
Director (Education) & Manager (GM Office) - Shanghai Ocean Aquarium (SOA)

Ms. Jane Peng Lijin joined us in July 2001. She is responsible for the areas of education, government liaison and corporate social responsibility at our subsidiaries in China. Ms. Peng has close to 30 years of working experience in the industry of museums and aquariums, with a focus on education and government liaison. Prior to joining the Group, Ms. Peng has worked at Shanghai Museum of Natural History, and Victoria Museum at Melbourne, Australia. Ms. Peng graduated from Shanghai Normal University with a degree in Biological Science.

MR. XIE FAN

General Manager – Lintong Lixing Cable Car Co., Ltd. (LLC)
General Manager – Xi'an Lintong Zhongxin Tourism Development Co., Ltd. (XLZTD)

Mr. Xie Fan joined us in 2016 as the Project Manager of Xi'an Lintong Zhongxin Tourism Development Co., Ltd. He was subsequently promoted to Engineering Director in 2017, Deputy General Manager of LLC in 2020, and General Manager of LLC and XLZTD in 2021. He is responsible for the management and operations of our cable-car services and also in charge of the Chao Yuan Ge development project under XLZTD.

Prior to joining our Group, Mr. Xie served as Chief Engineer of Shaanxi Linyang Real Estate Co., Ltd. His other experiences include serving as Deputy Project Manager and Engineering Manager with Shaanxi Jinyuan Group, Assistant to General Manager with Shaanxi Huishang Investment Group, Deputy General Manager with Shaanxi Heng'ao Real Estate Co., Ltd, and serving as Assistant Engineer, Engineer, Chief Engineer, Project Director at Fourth Military Medical University between 1986 to 2009. Mr. Xie Fan holds a Bachelor's Engineering Architecture from Nanjing Institute of Military Engineering. In April 2012, he obtained the National First-class Construction Engineer registration qualification certificate.

Operations Review

OVERVIEW

In FY2022, the Group reported significant net losses as all our attractions reported lower revenues. The considerable weakening of the RMB currency against the Singapore Dollar also contributed to the losses as the Group recorded $5.37 million in exchange loss.

Group revenue for FY2022 was 32.7% lower than FY2021. Overall visitor arrivals to all the Group's attractions were 0.96 million, 40.5% lower than FY2021, as China's zero-Covid strategy and strict control measures significantly impacted our China operations throughout the year. Our Shanghai aquarium had a prolonged closure, resulting in a loss of revenue for a quarter; and visitor arrivals during the peak summer holidays and subsequent months, including the National Day golden week holiday, were lower than FY2021 as imposition of strict prevention and control measures, interprovincial travel restrictions, as well as area lockdowns reduced visitor numbers to Shanghai Ocean aquarium. At Underwater World Xiamen, there was a 20% year-on-year decrease in visitor numbers. Rides on Singapore Flyer were suspended for about three months in first half of FY2022 following the detection of a technical issue during a routine maintenance inspection, in compliance with the authority's directive. There were no prolonged closures of our major attractions in 2021, except for imposition of tightened measures when more the transmissible Delta variant of the virus emerged.

The Group's operating assets during the past year include:

- Shanghai Ocean Aquarium ("SOA"), a premier tourist attraction located in the Lujiazui Financial District of Pudong, Shanghai
- Singapore Flyer, one of the world's largest observation wheels located in the Marina Bay Precinct, Singapore
- Underwater World Xiamen ("UWX"), located on the scenic Gulangyu Island in Xiamen City
- Lixing Cable Car ("LCC"), a cable car service at the historic Mount Lishan in Xi'an

The Group's flagship attraction, SOA, reported significant drop in earnings in 2022 compared to 2021 as visitor numbers decreased more than 60% from 2021, as the aquarium was closed for more than three months from mid-March to end of June due to the city-wide lockdowns in Shanghai to curb the spread of Covid-19 infections. Before the lockdowns, SOA launched a Tiger-themed aquatic biology science exhibition, to coincide with the Year of Tiger during the Spring festival of 2022, named “以虎为名”. More than ten kinds of “tiger” fish with different characteristics, including sand tiger shark, tiger stripe silver plate, tiger skin duckbill, golden river tiger, black-tailed river tiger, etc. were exhibited in a decorated scenery of a Spring Festival atmosphere, to enhance visitors experience during the Chinese New Year holiday. There were also TV, newspaper, and online media reports on the Tiger themed exhibitions, as well as promotional videos launched through Douyin. Walk-in visitor arrivals during the seven-days long holiday increased 25.8% and revenue increased 18.8% over the Spring Festival of 2021.

SOA continued to collaborate with Ctrip’s platform to promote the aquarium and increase exposure, market competitiveness and sale of SOA products. During the summer holiday period in July to August, SOA organized activities to promote and highlight the special and functional features of SOA venue. It also launched weekend marine science education classes to attract parents and children. Intensive publicity was carried out via self-media, Douyin, Ctrip, and official media to promote the summer activities.

During the National Day, the aquarium launched a series of activities themed “燃情十月，欢腾海洋” including online and offline promotional activities such as finding fish with the same name as the country (check-in interaction), Chinese style concerts, and painting activities. It also offered free tickets for those born in 1949, the founding year of the Republic, offered promotional price for night admission after 16:30pm, and participated in the publicity channels of various tourism platforms such as KOLs, Ctrip live broadcast, and KOC. However, with strict Covid-19 measures in place during the 7 days golden week period, overall visitorship decreased 36% from the National Day holidays in 2021.

Other collaborations during the year included on-site performances by the Chinese famous pianist, Kong Xiangdong; an Underwater Confession event on Valentine’s Day by a Chinese Douyin influencer; and the promotion of SOA as a patriotic education base.

In 2022, SOA continued to actively manage its social media and official website platforms, updating content and expanding our online reach. The official website was regularly refreshed with latest developments, new reports, venue activities, short video sharing etc. and has been shared extensively throughout the year.

At UWX, annual visitor numbers decreased 20% from 2021. Measures adhering to the country’s zero-Covid strategy resulted in lower visitor arrivals in the year, and there was a 10 days closure during the peak summer holiday period.

In 2022, UWX planned and implemented four large-scale special exhibitions, namely, “虎虎生威—“虎鱼”科普主题特展” during the Spring Festival in January; ““鱼众不同”趣味科普主题特展” in April; “亲近自然‘感’受海洋趣味科普主题展”during the National Popular Science Day in September; and ““减塑践行 同心护海洋”环保主题艺术展” held during the Christmas period in December.

Operations Review

During the year, UWX also actively cooperated with other scenic spots and partners for various activities, such as the themed painting activity "大鲸游世遗" held in July, and "2022年全国水生野生动物保护科普宣传月（厦门站）活动" held in November. In addition, the aquarium also organised a number of activities for young children, such as "小小驯养师",a parent-child activity held in June and July; and "鱼你同眠－海洋奇妙夜", a night-stay activity.

By launching different themed special exhibitions and education activities, UWX covers both the scientific and conservation aspects of marine biology, encouraging our visitors to find out more about life beneath the ocean, and to play their part in the conservation of marine environments.

In 2022, UWX published a total of 64 scientific articles on our various social media and online channels. It also actively launched various promotions and theme activities through the official Douyin platform to actively promote the various science and educational activities held by UWX during the year.

Impacted by the COVID-19 restrictions in 2022, UWX constantly innovated its marketing campaigns to attract visitors during this challenging year. During the Spring Festival, in conjunction with the government's promotion of "celebrating the New Year in the local area", a special campaign of "50% off membership card purchase" was launched to benefit local residents, total of 2,852 membership cards were sold during the period. In April, UWX launched the "RMB99.00 Parent-Child 1+1 Package" campaign to attract tourists, with a total of 4,822 sets being sold. During the Dragon Boat Festival holiday in 2022, it cooperated with a travel website, Xialv.com, and launched a

promotion activity "Night Tour Special", and a total of 229 sets were sold. In 2022, UWX has specially developed the "小小驯养师" study class, and taught 75 pairs of parents and children. The aquarium also successfully carried out overnight stay activities, and jointly launched nine sessions of "夜探海底世界 鲨鱼陪你入梦" with 启智研学. As part of its efforts to develop our branding and IP, UWX successfully designed and launched three variations of our sperm whale mascot plush toys.

In 2022, UWX also participated in and organized various activities for marine conservation. Some of these included the "China White Dolphin Protection Publicity Day" on April 15, and participation in the "Science Popularization (Education) Base Conference and Service System Operation Training Course" on October 27. It also participated in the "9th Popular Science Volunteer Competition" on December 12 and won the third place. In the follow up, UWX will integrate valuable learnings from these into its daily work and strive to strengthen our conservation education efforts at the aquarium.

In 2022, UWX's science and education team continued to roll out online scientific content through the cloud in conjunction with Shambhala Charity. Six popular science courses focused on marine life topics were brought to the students in four primary schools in the mountainous area of Yunnan during Spring and Autumn respectively, which helped fulfill the children's aspirations to learn about the ocean and explore science. The science and education team also overcame challenges brought about by COVID and travelled to various primary schools to give lively and interesting lectures on marine science and conservation to 500 students; these were well received by the teachers and children. Through our online and offline interactive lessons, we continue to serve our mission to spread the message of marine conservation, and in the process, we also learned about the educational needs in underprivileged regions during the epidemic. This will help our planning for such courses in the future.

Lixing Cable Car registered a significant decline of 84% in revenue and reported net losses in FY2022 compared to a net profit a year ago. For the whole year, Lixing Cable Car was closed intermittently for 8 times due to epidemic control, with a total of 109 days of closure. This severely affected our full-year earnings, making our 2022 losses the worst in 20 years. In addition to the strict epidemic control, ridership was greatly impacted by the non-opening of the Lishan Mountain scenic spot.

During the year, Lixing Cable Car landscaped its viewing tower and Chaoyuan Pavilion area, and built a newly landscaped path to attract more tourists and to expand the viewing area capacity for visitors. The company continued to provide value-added services such as docents in ancient costumes to explain and interact with tourists, so that tourists can better understand the cultural heritage and historical stories of Lishan Mountain and feel a more direct connection to the stories of ancient times. There was also audio explanation service which was recorded in advance for tourists to listen for free. These greatly improved tourists' experience and satisfaction.

In Singapore, the gradual easing of community and border restrictions in 2022 saw encouraging growth in visitor arrivals in the second half of the year. Singapore Flyer's visitor numbers in 2022 reached 30% of 2019 pre-Covid levels, with strong inbound recovery observed from the increase in international visitors and locals.

Operations Review

In 2022, the Singapore Tourism Board launched the inaugural Wellness Festival Singapore in June to rejuvenate the tourism industry. Singapore Flyer participated in the festival and organised Yoga and Pilates in the Sky sessions, allowing participants to take in the breathtaking Marina Bay skyline while exercising aboard. A City Skyline Coaster Design Workshop was also introduced to encourage parent-child bonding through the arts. These new in-capsule experiences helped rejuvenate Singapore Flyer's product offerings and enhanced the visitor experience.

After a two-year hiatus due to the pandemic, the Singapore Grand Prix returned to the Marina Bay street circuit. Singapore Flyer resumed its partnership with Singapore GP, working closely with the event organiser to host VIPs at its event venues. Exclusive Singapore Flyer + Time Capsule multi-visit passes were also introduced throughout the race weekend, granting guests a bird's eye view of the circuit any time of the day or night. Apart from the Singapore Grand Prix, the countdown party at Marina Bay also made a return, with fireworks lighting up the Marina Bay skyline to welcome the new year. Singapore Flyer took this chance to re-introduce the popular New Year's Eve Countdown Champagne Experience as part of the celebrations. The sold-out experience treated guests to the best view of the fireworks while ushering in the new year with a glass of champagne.

As part of our continued corporate social responsibility efforts, Singapore Flyer sponsored a trip for Moulmein-Cairnhill's less privileged residents in December. Together with the Member of Parliament, the residents enjoyed their evening celebrating the festive year-end season with dinner and a flight on the giant observation wheel.

In anticipation of the return of Chinese travelers in 2023, the Singapore Flyer WeChat Mini Programme was officially launched in the third quarter. The online ticket purchase feature provided an additional direct sales channel for Singapore Flyer and helped to reach out to existing WeChat followers and new users. Exclusive 11.11 deals on the Mini Programme helped to increase sales conversion and maximise awareness of the new sales channel.

As part of Singapore Flyer's strategic planning exercise to enhance its service offerings, Singapore Flyer embarked on an Operation and Technology Roadmap exercise with Attractions, Resorts & Entertainment Union (AREU) and NTUC to develop a multi-year roadmap for Singapore Flyer. The roadmap charts out the attraction's goals, including product innovation, staff training and technology adoption, to further enhance the visitor experience. The Singapore Flyer team will look to work towards the identified initiatives within the planned timeline.

FINANCIAL COMMENTARY

The Group reported a net loss of $10.81 million in FY2022 as compared to a net profit of $11.57 million in FY2021, mainly attributable to lower revenue generated, absence of arbitration award of $10.4 million as in FY2021, lower amounts of government grants, and significant exchange loss recorded; partially offset by a write-back of impairment amounting to $1.7 million on its property, plant and equipment.

The Group's net cash outflow from operating activities amounted to approximately $2.99 million in FY2022. During the year, the Group used $8.55 million to pay out dividends and $1.05 million to repay borrowings and interest on loans. Proceeds from borrowing amounted to $0.4 million, being a minority shareholder's loan to Singapore Flyer. As of 31 December 2022, the Group's cash and cash equivalent balance (excluding bank deposits pledged) amounted to $150.68 million, a decrease of 15% from a year ago.

Sustainability Report

Contents

Board Statement

The Board of Directors (the “Board”) at Straco Corporation Limited (“Straco”) hereby presents the Sustainability Report for 2022. This year marks our sixth year of sharing the Sustainability Report, thereby demonstrating our continued commitment to sustainable development as this is an integral part of our business strategy formulation and decision-making process. In this report, we are proud to share Straco’s sustainability practices, performance and targets for the year ended 31 December 2022.

As a leading developer, operator, and investor of premier tourist attractions, we aspire to create a unique, fulfilling and enriching experience for our visitors. The Board considers Environmental, Social and Governance (“ESG”) factors as one of the top priorities in Straco’s business strategy and drives the materiality assessment. The board also sets the direction for Straco’s sustainability strategies. We began our ESG journey in 2017 with a formal materiality assessment workshop to identify material ESG factors relevant to our business. Our Sustainability Steering Committee (“SSC”), comprising of senior management and General Managers from Shanghai Ocean Aquarium (“SOA”), Underwater World Xiamen (“UWX”) and Singapore Flyer (“SF”), continually reviews our existing material ESG factors on an annual basis. These are presented to the Board for endorsement to ensure we continue to create long-term value for our stakeholders while doing our part on the various ESG fronts.

Through strong corporate governance, we continue to uphold our efforts in the ESG space. Since our baseline year in 2017, we continuously implement initiatives to reduce our environmental footprint for water and energy consumption. Capitalising on the high footfall in our attractions, we continue hosting educational programmes to raise awareness on environmental protection and biodiversity conservation in China and Singapore, with beneficiaries ranging from primary school children, migrant workers and public charities. We seek to provide a safe working environment for our employees by implementing workplace and COVID-19 safety measures. We also aim to provide a dynamic and rewarding career development platform for them.

Despite challenges due to the pandemic, our business operations remain resilient, with strict adherence to government regulations and guidelines. We continue to adhere to governmental regulations and adapt to the ever-changing pandemic situation in both China and Singapore to ensure visitors and employees enjoy a safe and entertaining environment. With the lifting of most pandemic restrictions in both countries, we look forward to receiving guests and expanding our business operations to pre-pandemic levels.

We have reviewed and validated the material ESG factors of high importance to our business and stakeholders. The considerations and priorities considered in choosing the relevant material ESG factors focus on the development of our business, the well-being and safety of our employees, supporting local communities, protecting marine life diversity. The Board continues to oversee the management of ESG risks and opportunities, with support from our Sustainability Steering Committee (“SSC”). The disclosures of sustainability performance and targets in this report are approved by the Board.

The Board would like to thank those who have been with us throughout our sustainability journey. We will continue our sustainability efforts to enhance the long-term value and trust of all our stakeholders.

2022 At a Glance

2022 continues to remain a challenging year with the continued COVID-19 pandemic. Despite the difficult conditions, Straco has met most of its targets for 2022. For more information on each specific target's performance, kindly refer to the table below.

MATERIAL FACTORS	INDICATOR	TARGET FOR FY2022	PERFORMANCE FOR FY2022	TARGET FOR FY2023
Environmental				
Energy	Energy Consumption and Energy Intensity	Maintain or reduce energy consumption from 2021 levels 2021 levels: Energy consumed: 52,676,880 MJ Energy intensity: 1,135 MJ/m^2	✓ Achieved Energy Consumption: 51,575,134 MJ Energy Intensity: 1,111 MJ/m^2	Maintain or reduce energy consumption and GHG emissions from 2022 levels SF: Plan for ECO Certification for Admin Office
	GHG Emissions and GHG Intensity	Maintain or reduce GHG emissions from 2021 levels 2021 levels: GHG emissions: 8,149 tCO_2e GHG emissions intensity: 0.1756 tCO_2e/m^2 [1]	✓ Achieved GHG Emissions: 7,872 tCO_2e GHG Emissions Intensity: 0.1696 tCO_2e/m^2	
Water Management	Water Consumption and Water Intensity	Maintain or reduce water consumption from the 2021 levels 2021 levels: Water consumption: 189,115 m^3 Water intensity: 4.07 m^3/m^2	× Not Achieved Water Consumption: 197,443 m^3 Water intensity: 4.25 m^3/m^2	Maintain or reduce water consumption from 2022 levels
Social				
Animal Sourcing and Well-being	Use of global and national standards and initiatives on conservation	Continue to practice responsible sourcing of animals, explore new ways to further enhance the well-being of animals and actively partake in conservation efforts	✓ Achieved Followed accepted global and national standards, where available and relevant, for responsible animal sourcing and animal well-being and continued conservation efforts	Continue to practice responsible sourcing of animals, explore new ways to further enhance the well-being of animals and actively partake in conservation efforts.

1 *GHG emissions have been restated to be 0.1756 tCO2e for 2021 figures, due to a recomputation error. However, this does not affect Straco's performance on meeting its ESG targets*

MATERIAL FACTORS	INDICATOR	TARGET FOR FY2022	PERFORMANCE FOR FY2022	TARGET FOR FY2023
Social				
Talent Retention and Training	Average training hours per employee, per year	Maintain current average of around 14 training hours per employee and provide performance review to all eligible permanent employees.	✓ Achieved 14 hours	Maintain current average hours of training per employee from the previous year and provide performance review to all eligible permanent employees.
	Annual new hires rate		20.9 % (1.7% per month)	
	Annual turnover rate		21.1% (1.8% per month)	
	Provide performance review to all eligible permanent employees		94%	
Health and Safety	Number of work-related fatalities	Continue to provide relevant training on health and safety and achieve zero high-consequence work-related injuries, including fatalities.	✓ Achieved 0	Continue to provide relevant training on health and safety and achieve zero high-consequence work-related injuries, including fatalities.
	Number of high-consequence work-related injuries (excluding fatalities)		0	
	Accident Frequency Rate[2]		12.73	
Local Communities [3]	Initiatives on conservation education and charitable events	UWX/SF: Continually support the local communities during the COVID-19 pandemic through partnerships and educational programmes SOA: Organise 7 educational programmes	✓ Achieved SOA: organised 7 educational programmes during the year UWX: organised 9 types of outreach programmes during the year SF: Supported 9 types of community initiatives through sponsorships and discounted tickets	UWX/SOA: To continually support the local communities through partnerships and educational programmes SF: To organise at least 2 Corporate Social Responsibility (CSR) activities for the less privileged
Governance				
Regulatory Compliance	Number of environmental and socio-economic non-compliance	Zero non-compliance with environmental and socio-economic regulations	✓ Achieved Zero non-compliance with environmental and socio-economic regulations.	Uphold the same high standard of conduct and maintain zero non-compliance with environmental and socio-economic regulations.

2 *Based on the Ministry of Manpower's (MOM) definition, Accident Frequency Rate (AFR) calculations includes any workplace or work-related traffic injury that results in at least 24 hours of hospitalisation or more than 3 days of MC due to a single work-related accident. Despite having zero workplace fatalities and high-consequence workplace injuries, there were 3 minor accident cases in SOA and 7 in Singapore Flyer for 2022. As a result, the AFR, calculated based on 1,000,000 man-hours worked in 2022, is 12.73.*

3 *For sustainability reporting purposes, Straco entities have individually pledged their own targets for local community involvement in 2022. Thus, this section's report will focus on evaluating the entities' performance against their targets. Please refer to the Local Communities section for more information about the various initiatives.*

About this Report

This sustainability report sets out Straco's policies, practices, performance and targets in relation to the material ESG factors identified from 1st January 2022 to 31st December 2022 ("2022"). The report covers the listed entity, Straco Corporation Limited, and its three main revenue-generating assets, Shanghai Ocean Aquarium ("SOA"), Underwater World Xiamen ("UWX") and Singapore Flyer ("SF"). The other entities of the Group (corporate office in Singapore and the Lixing Cable Car ("LCC")) have been excluded from the reporting scope as they are considered immaterial in terms of consumption of environmental resources and gross floor area. The "Energy" and "Water Management" sections in this report focus solely on SOA, UWX and SF, while the "Animal Sourcing and Well-being" section is only applicable to the two aquariums, SOA and UWX.

With effect from FY2022, all listed companies on SGX are required to provide climate reporting on a 'comply or explain' basis, in their sustainability report. As Straco is preparing for its TCFD disclosure from FY2023 onwards, this year's sustainability report will refer to the GRI standards only. This report is aligned with the reporting requirements of SGX Listing Rules 711A and 711B and prepared with reference to the Global Reporting Initiative ("GRI") Standards, a globally recognised framework to report on ESG issues, for the reporting period as specified above. The GRI Standards were selected as it is an internationally recognised reporting framework that covers a comprehensive range of sustainability disclosures suited to Straco's industry and business model. This report references the following GRI Standards and topic standard disclosures:

- Disclosures 2-1, 2-2, 2-3, 2-7, 2-9, 2-27 from GRI 2: General disclosures 2021
- Disclosure 3-2 from GRI 3: Material Topics 2021
- Disclosure 302-1 and 302-3 from GRI 302: Energy 2016
- Disclosure 303-3 and 303-4 from GRI 303: Water and Effluents 2018
- Disclosures 305-1, 305-2 and 305-4 from GRI 305: Emissions 2016
- Disclosure 401-1 from GRI 401: Employment 2016
- Disclosure 403-9 from GRI 403: Occupational Health and Safety 2018
- Disclosure 404-1, 404-2 and 404-3 from GRI 404: Training and Education 2016
- Disclosure 405-1 from GRI 405: Diversity and Equal Opportunity 2016
- Disclosure 413-1 from GRI 413: Local Communities 2016

All information is disclosed in good faith to the best of our knowledge. No external assurance has been sought for this report. Straco welcomes your feedback. Please forward enquiries and feedback to contact@stracocorp.com

STAKEHOLDER ENGAGEMENT

Open and relevant engagement is essential to create value for Straco's key stakeholders. This engagement communicates expectations and supports improvement in our sustainability practices.

In line with COVID-19 advisories and guidance from the authorities, Straco enhanced the usage of digital communication channels to engage our stakeholders. The following table identifies Straco's key stakeholders and shows how they are engaged.

INTERNAL STAKEHOLDERS	MAIN OBJECTIVE	ENGAGEMENT METHODS	FREQUENCY
Employees	To create a safe, inclusive and rewarding working environment to sustain employee morale	• Safety training • Training or skill upgrading • Suggestion box	• Throughout the year
		• Workers' Union meeting on employee welfare	• Bimonthly to twice a year
		• Team bonding activities	• Once to twice a year
Investors/ Shareholders	To disseminate accurate and timely information on the company's progress and direction	• Release of financial results and other relevant disclosures through SGXNet and Straco's website	• Throughout the year
		• Annual General Meeting	• Once a year
		• Participation in non-deal road show	• Ad hoc
		• Meeting with investors and stock analysts	• Throughout the year
EXTERNAL STAKEHOLDERS	**MAIN OBJECTIVE**	**ENGAGEMENT METHODS**	**FREQUENCY**
Customers	To understand customer expectations and enrich customer experience	• Feedback box • Customer review on official website and official social media platforms	• Throughout the year
		• Market research and analysis	• At least once a year
Local Communities	To contribute to local communities through conservation education and research, as well as charitable activities	• Education programmes • Charitable events	• Throughout the year

MATERIAL ESG FACTORS

In 2022, Straco's Sustainability Task Force ("STF") reviewed and validated the list of material ESG factors, which was then endorsed by the SSC. The following table summarises Straco's material factors identified and explains why these factors are material and relevant to Straco:

ASPECT	MATERIAL ESG FACTORS	WHY IS THIS FACTOR MATERIAL TO STRACO
Economic	Economic Performance	As Straco is a for-profit tourism Group, creating economic value and ensuring dividend distributions to our shareholders while maintaining our strong ESG practices is a key tenet of Straco's business.
Environmental	Energy	Our business operations require electricity for lighting, air-conditioning as well as to keep our equipment running. A successful reduction of energy consumption can lower business costs and reduce our Group's carbon footprint. This is our contribution in combatting climate change.
	Water Management	As two of three entities in this sustainability report are aquarium attractions, water consumption is a key issue in the Group's business operations. Wastewater discharge is a key topic to local government and communities as well. Overall, water is a scarce resource that should be well-conserved.
Social	Animal Sourcing and Well-being	As Shanghai Ocean Aquarium ("SOA") and the Underwater World Xiamen ("UWX") comprises many marine life, the Group is committed to using ethical and sustainable means to acquire marine life, avoiding endangered or sensitive species. SOA and UWX are dedicated to ensuring animals enjoy a high standard of care in the aquarium.
	Talent Retention and Training	High turnover rates suggest worker dissatisfaction with their working environments and culture. The loss of experienced employees reduces the efficiency of business operations as more time and effort is required to train up new hires. To mitigate this, Straco has to develop and train its talents and create a supportive and safe working environment to boost employee morale.
	Health and Safety	As a tourism Group, the safety of our guests is one of our top priorities. We strive to provide a safe and enjoyable experience for all guests. Also, employee health, safety and benefits are closely linked to our business operations. Providing a positive working environment can boost the productivity levels of our employees, while reducing the risks of workplace injuries, high-consequence accidents and government fines.
	Local Community (including conservation education)	Straco is committed to be a socially responsible enterprise by serving local communities at the various locations in China and Singapore, to give back to society. Using its aquariums as a platform, Straco delivers public education on topics such as marine life conservation and marine life research.
Governance	Regulatory Compliance	As a business, Straco Group adheres to local regulatory compliance measures. As aquarium businesses are closely regulated by government bodies, any incidents of non-compliance would negatively impact Straco's reputation or lead to regulatory fines or license revoke. On the other hand, Straco can enjoy better business opportunities if we continue to uphold our high compliance standards.

Economic

ECONOMIC PERFORMANCE

For 2022, Straco has experienced a slow recovery due to the continued border closures in mainland China and gradual reopening of Singapore. As China had implemented stringent COVID-19 control measures with its Zero-COVID policy, domestic tourism within China had declined compared to 2021. Shanghai had also experienced a 3-month long lockdown, resulting in a loss of revenue for a quarter.

Consequently, in 2022, Straco generated revenue of S$28.2 million and reported a net loss of S$10.8 million. Details of Straco's financial performance in 2022 can be found in the Financial Review section of this Annual Report.

However, Straco is beginning to see early signs of recovery after China announced the reopening of its borders and removal of quarantine and other COVID-19 restrictions in early December 2022. Singapore's COVID-19 situation has also stabilised, with operations gradually returning to pre-COVID-19 state. This has provided some relief due to the return of tourists to the various attractions. Overall, Straco's operations has seen some rejuvenation and are on a recovery path.

As the global COVID-19 situation has abated, the Group will continue to monitor its impact on our operations. Straco will keep abreast of the recovering tourism market and sustain robust economic performance into the long run. With this, we aim to keep our business relevant and resilient by differentiating our services, keeping our team strong and committing to delivering good ESG performance.

Environmental

ENERGY

Against the backdrop of intensifying climate change, energy consumption and associated Greenhouse Gas ("GHG") emissions are emerging global concerns. Straco strives to mitigate our environmental impacts and reduce our GHG emissions by developing innovative solutions and adopting energy-efficient practices.

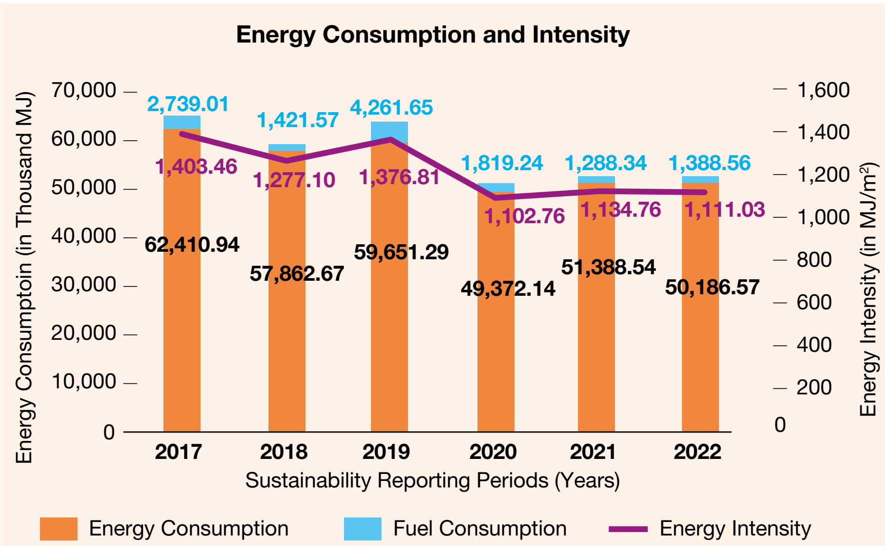
The operational teams in SOA, UWX and SF actively monitor, report and review their energy consumption in accordance to formal energy management frameworks. To ensure compliance with energy efficiency standards, equipment is regularly maintained, and consumption trends are closely analysed to identify and address any inefficiencies. In 2022, Straco's key energy-saving initiatives include:

SOA:
- Replaced energy consuming lamps with LED energy saving lighting fixtures.
- Replaced aging central air-conditioner damper and the BAS automatic control device is connected and installed to achieve reasonable and accurate control of usage and energy consumption.

UWX:
- Conducted regular maintenance of all equipment to ensure that they maintain the best energy performance, thereby reducing energy consumption. For example, we continue to adopt variable frequency intelligent control for the escalators that were replaced in 2018 so that the escalators will gradually run slowly to conserve energy when there are no tourists.
- Ensured that employees do their part to reduce energy consumption. For example, when employees are off work, they are to turn off the power of the computer host, unnecessary lights, and the centralized hot water supply and keep the temperature of the air conditioner at a suitable temperature.
- Used more energy-efficient equipment, such as replacing incandescent bulbs with more energy-efficient LED lights, using air-source cooling and heating machines to heat or cool the fish tank water body, replacing the original heating rods, improving the energy efficiency ratio, and adopting LED special aquarium lights to replace the original metal halide lamps or fluorescent lamps.

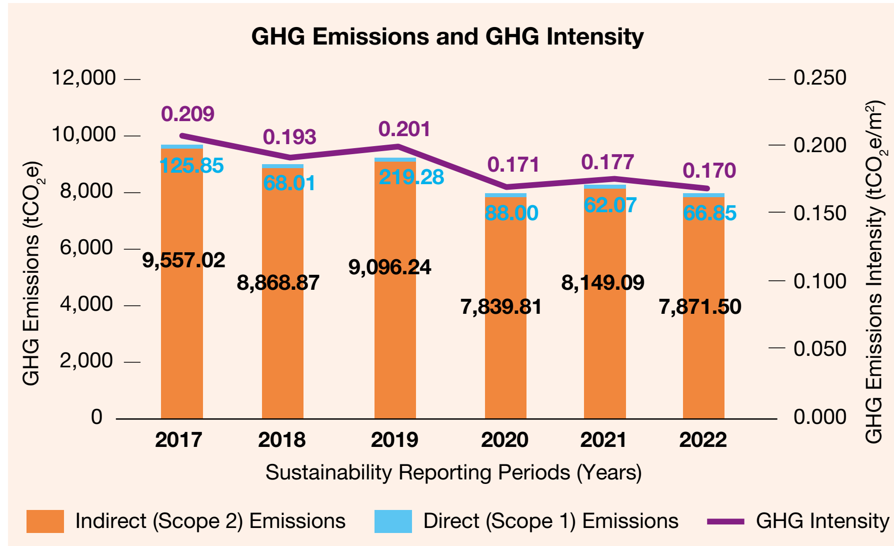
SF:
- Conducted regular trimming of trees and landscape to provide more natural light penetration into the carpark and Main Terminal Building.
- Closed level 2 of carpark when the carpark occupancy rate is low to save energy.
- Constant review of building and surrounding temperature and make necessary setting for Chilled Water Supply temperature to the building for energy saving.
- When not in operation, unused Lifts and Escalators are turned off to save energy.

The chart below illustrates our total energy consumption which consists of fuel and electricity used within our operations under SOA, UWX and SF for 2017 to 2022. Our total energy intensity is calculated by total energy consumption divided by gross floor area for all three entities. This is shown below:



In 2022, SOA, UWX and SF consumed 51,575,134 Mega Joules ("MJ") of energy, comprising 50,186,575 MJ of electricity consumption and 1,388,559 MJ of fuel consumption including Liquefied Natural Gas ("LNG"), city gas (Singapore) and diesel. In comparison to 2017, there is an overall reduction of around 20.8% in total energy consumption and energy intensity[4]. The reduction in 2020 to 2022 electricity consumption was due in part to COVID-19, where operational hours and travel were severely disrupted, and the success of various energy-conservation initiatives.

The following chart depicts the total GHG emissions arising from operations under SOA, UWX and SF, which consists of direct (Scope 1) GHG emissions[5] and indirect (Scope 2) GHG emissions[6], and the total GHG emissions intensity.



GHG emissions are derived from the country specific grid emission factors for electrical consumption data. Our GHG emissions in 2022 were 7,938 tCO_2e, a reduction of approximately 18% as compared to 2017 levels (9,683 tCO_2e). The reduction is attributable to our successful energy-saving initiatives implemented in recent years. For 2023, Straco aims to maintain or reduce energy consumption and GHG emissions from 2022 levels.

WATER MANAGEMENT

As water is a scarce resource, we manage our water withdrawal and discharge with consideration for the interest of local communities and ecosystems. Recognising that water is a key resource in Straco's day-to-day operations, we are committed to conserving

4 In 2017, the total energy consumption level was at 65,149,951 MJ while energy intensity was at 1,403 MJ/m2.

5 Direct (scope 1) GHG emissions arose from fuel consumption and are calculated using GHG Protocol Global Warming Potential ("GWP") Values. The gases included in the above emissions calculation are CO_2, CH_4 and N_2O. The emission factors and GWP rates are sourced from 2006 IPCC Guidelines for National Greenhouse Gas Inventories and IPCC Fifth Assessment Report, 2014 (AR5) respectively.Ministry of Ecology and Environment of China.

6 Indirect (Scope 2) GHG emissions arose from electricity consumption. The emissions were calculated based on Grid Emission Factors as published by the Energy Markets Authority of Singapore and the Ministry of Ecology and Environment of China.

water and preventing water pollution. In addition, water conservation translates to cost savings for Straco as our assets are often subjected to water consumption quota or tiered pricing.

Our operations under SOA, UWX and SF continue to employ water-efficient practices and install water-efficient fittings to conserve water. Across our assets, we perform regular equipment maintenance and have water meters installed at key water usage areas to track and monitor water usage. We hold ourselves accountable for water management and comply with reporting requirements in respect of water consumption and water discharge quality.

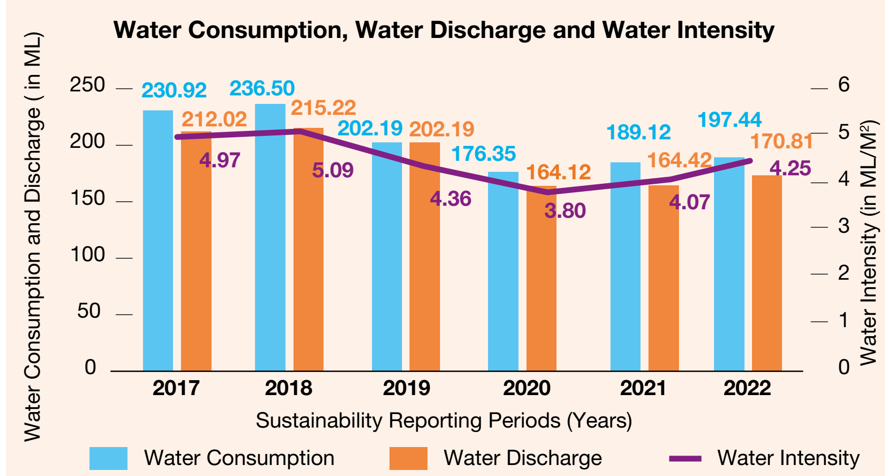
In 2022, Straco's key water management practices and initiatives include:

SOA:
- Improved the method of cleaning tank by cleaning and flushing instead of previous cleaning method to save on water consumption.
- Supervised the use of water when the external sand tank cleaning team are at work to reduce water wastage.
- Repaired rust and leakage problem of the main fire sprinkler pipeline to reduce the loss of water resources.

UWX:
- Use treated sea water in tanks to reduce disruption to municipal fresh water supply. The water would be filtered in LSS and recycled to reduce water usage.
- Installed water saving devices.
- Use water-saving labels or equivalent water-saving accessories, such as automatic flow control faucets, flush valves and water-saving toilet tanks.
- Use circulating water for cooling for the central air conditioning cooling.
- Improved water conservation awareness for both employees and visitors by displaying educational posters in public areas.

SF:
- Used recycled water – NEWater – for landscape irrigation.
- Installed water meters in high water-usage areas to monitor water consumption in real time.
- Improved water conservation awareness for both employees and visitors by displaying educational posters in public areas.
- Conducted annual inspection and certification of water storage tank.

The chart below illustrates our total water consumption, water discharge and water intensity for our operations under SOA, UWX and SF for 2017 to 2022. Our total water intensity is calculated by total water consumption divided by total gross floor area for the three entities. This is shown below:



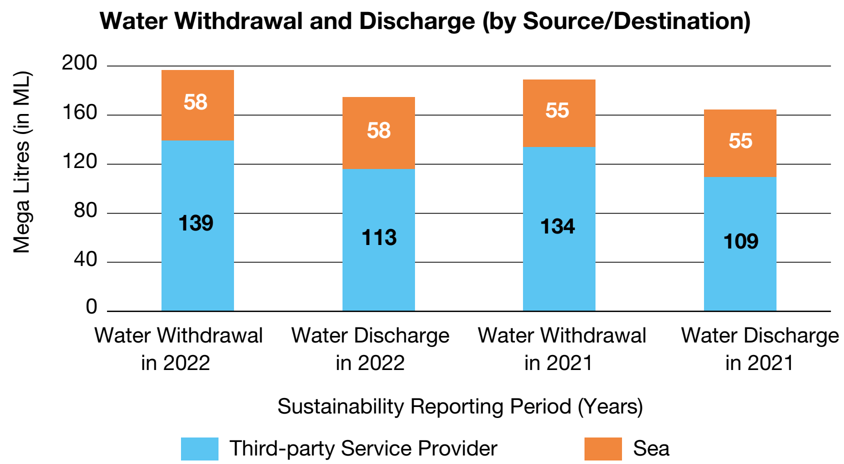
In 2022, SOA, UWX and SF consumed 197 Mega Litres ("ML") of water, comprising 139 ML of fresh water and NEWater and 58 ML of other types of water. Our water consumption and water intensity have both reduced overall by 14.5% since 2017[7]. Two of our three in-scope entities are aquariums, contributing significantly to our water usage all year round. Our water-conservation measures implemented recently have successfully helped reduce water consumption over the five-year period. We will continue to adopt innovative ways to reduce water usage.

Any water that cannot be reused will be discharged. Straco either sends effluents to third party water treatment facilities or treats the effluents in-house before discharging to the sea. Straco has measures in place to manage the quality of water discharged from our assets. We conduct regular maintenance at our sewage systems and have procedures in place to ensure that we comply with local water discharge regulations. Priority substances of concern in discharges such as suspended solids, chemical oxygen demand, ammonia nitrogen, etc are controlled and limited within the allowable range in accordance with national standards, namely the 2018 Shanghai Municipal

7 *In 2017, the total water consumption was at 230.92 ML.*

Comprehensive Sewage Discharge Standard and PUB regulations, and through inspections by the Xiamen Environmental Protection Bureau. There were no incidents of non-compliance with discharge limits in 2022.

The charts below detail the breakdown of water withdrawal and discharge[8 9] by source/destination and by water quality compared to last year[10].



In 2022, SOA, UWX, and SF withdrew 197 Mega Litres ("ML") of water, comprising 139 ML of municipal water and 58 ML of seawater. There was a 14.3% decrease in the amount of water withdrawal as compared to 230 ML in 2017. Over the years, water intensity has also decreased by 14.5%, from 4.97 m^3/m^2 in 2017 to 4.25 m^3/m^2 in 2022. For 2023, Straco has set targets to maintain or reduce water consumption from 2022 levels.

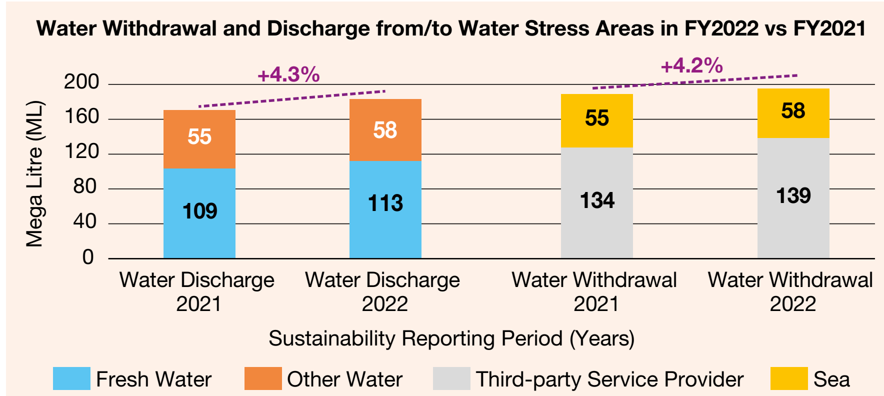
8 The water withdrawal data for municipal water is compiled based on meter readings stated on the payment notices issued by third party water providers. As for water discharged to third party treatment facilities, SOA estimates discharge volume at 90% of water withdrawal (which is the standard used by the third-party companies in charging wastewater treatment fees) as not all water balance testing equipment have been installed at present. A water balance testing plan will be determined in due time. SF uses the Water Balance Chart to calculate the water discharge volume and UWX compiles the water discharge data based on water meter readings. For seawater, the withdrawal and discharge data are based on the volume of the pool which stores the seawater extracted and discharged.

9 For reporting purposes, we also collect the type of water withdrawn and discharged. In accordance with GRI standards, the water type bought from third-party service providers is freshwater, while sea water is considered other types of water.

10 Numbers have been rounded for reporting purposes.

This year, 171 ML of water was discharged, comprising 113 ML of used freshwater[11] sent to third party water treatment facilities and 58 ML of other water[12] discharged to both the sea and third-party water treatment facilities.

The chart below provides a breakdown of the water withdrawal and discharge in water stress areas.



According to the World Resource Institute's Aqueduct Water Risk Atlas, SOA's and UWX's locations in Shanghai and Xiamen are categorised under "High to Extremely High" and "High" Overall Water Risk respectively. In 2022, 197 ML of water was withdrawn from, and 171 ML of water was discharged to areas of water stress. The third-party water withdrawn comprises 139 ML of freshwater and 58 ML of NEWater. The amount of water discharge and withdrawal for 2022 increased by 4.3% and 4.2% respectively. SOA has increased water consumption levels in 2022 due to several factors, namely: (1) the maintenance of aquarium by staff residing within SOA during Shanghai's 3-month lockdown, (2) an increased use in water to irrigate green spaces and (3) operate the air-conditioner condenser during the abnormally hot summer in 2022. Due to increase in operational hours, SF also has increased water consumption which is expected to stabilise and return to pre-COVID-19 levels in future years.

11 Based on GRI Standards (2018), freshwater is defined as water with concentration of total dissolved solid equal or below 1000 mg/L.

12 Based on GRI Standards (2018), other water is defined as water with concentration of total dissolved solid more than 1000 mg/L.

Social

ANIMAL SOURCING AND WELL-BEING[13]

As the plight of climate change and degradation of natural habitats worsens, biodiversity and the health of natural ecosystems are increasingly pressing global concerns. As the operator of two public aquariums, our key stakeholders expect greater commitment from Straco regarding conservation and biodiversity.

OUR COMMITMENT:
We do not practice punitive animal training. We refrain from animal performance purely for commercial purpose, instead, we focus on displaying natural behaviours for education.

Responsible Sourcing
Straco pledges to obtain animals from ethical and sustainable sources in line with national and international legislation. Our main sources of animals include in-house breeding programmes, certified suppliers, donations from civic society, as well as fishery rescues. Straco diligently tracks and manages the method of acquisition and origin of animals, particularly for endangered species falling under the Convention on International Trade in Endangered Species of Wild Fauna and Flora ("CITES")[14] or national conservational schemes. All protected species are obtained through legitimate sources and endorsed with the necessary permits. Our aquariums are subjected to stringent government supervision regarding animal sourcing and have passed various spot checks and routine inspections without any breaches found. Meanwhile, we use sustainable alternatives for habitat enhancement to minimise disturbance to natural ecosystems. For example, we use artificial corals in our displays to prevent any removal of coral reef from wild habitats.

Wildlife Conservation
Straco's conservation efforts include a wide range of breeding programmes for marine life, especially endangered species. Straco continues to maintain a high standard of care for marine life.

In 2022, the number of treatments for exhibition tanks remained relatively low at 26 times, compared to earlier years[15]. This was due to Straco's continuous efforts in maintaining the cleanliness and efficiency of the exhibition tank, by performing regular inspections, optimizing systems' efficiency and solving the related causes of previous illnesses. Straco has also formed a strong partnership with the Law Enforcement Team of the Shanghai Municipal Agriculture agency, Rural Committee (formerly the Fishery Supervision and Administration Office) and the Public Security Management Team of the Lujiazui Public Security Division to actively carry out rescue and temporary maintenance of nationally protected species. Areas of cooperation include clam, corals, and coelophysis, in addition to providing technical support for the protection of rare species in the country.

With a wealth of expertise in wildlife biology and veterinary science, Straco's aquariums collaborate with local wildlife departments and contribute to wildlife rescue missions. As part of Shanghai Bureau of Fisheries' initiative to protect and rescue marine wildlife, SOA actively treats and temporarily houses rescued animals including the critically endangered hawksbill sea turtle and the Chinese giant salamander.

Animal Well-being
For animals kept in our aquariums, we strive to provide them with a nurturing and low stress environment, while fostering natural and healthy behaviours. Straco believes our animals deserve the best care and our dedicated team of professional curators and veterinarians are trained to deliver exceptional attention to their needs. To ensure that our aquariums abide by the national standards on animal keeping and our animals live and grow in the best conditions, we have formalised our practices in a set of Standard Operating Procedures ("SOPs") and conduct regular testing and reporting of water quality.

UWX continuously upgrades the aquarium's facilities. These upgrades include enhancing the living habitat in the aquariums, optimising the water circulation systems and other equipment, disinfecting water and improving the temperature control systems. In addition to upgrading work, our Aquariums also closely monitor the water quality of water tanks, with regular checks and monitoring documented.

Our veterinarians conduct routine health monitoring and spot checks of our animals. New animals are also quarantined to identify and treat any potential disease before being added into the aquarium. Guided by professional research on sound nutritional science, we have developed a well-structured feeding plan, specifying the type and amount of

13 This chapter focuses on Straco's two aquariums, SOA and UWX only.

14 CITES is an international agreement between governments, with the principle aim to prevent the international trade in specimens of wild animals and plants from threatening their survival. For the many non-endangered wildlife species in trade, the existence of an agreement adds extra assurance of the sustainability of the trade in the long run.

15 Exhibition tank treatments were reduced from 54 times in 2019 to 24 times in 2020, 29 times in 2021, and 26 times in 2022.

feed for different animals. In 2022, SOA has implemented a specific enrichment plan for its penguins by incorporating behavioural, colours and music changes to enhance their living environment and reduce their restrictive repetitive behaviours. The Aquariums have dedicated personnel responsible for selecting high-quality bait every day. The feed is regularly sent to the local inspection and quarantine bureau for feed testing as well. Under the guidance and support of the Management, UWX has built a large and independent bait storage area and bait processing area, and strictly controls the quality of bait and the cleanliness of bait to ensure biological health. We use various nutritional additives to re-create the animals' natural living conditions as much as possible.

Moving forward, we will continue to source for animals responsibly, taking into consideration the local context, latest conservation status updates and climate conditions. Meanwhile, we also aim to invest in research and enhancements of our animals' living environments to encourage natural behaviours and promote animal well-being. In addition, we seek to actively partake in conservation and research efforts to protect biodiversity.

TALENT RETENTION AND TRAINING

As we consider human capital to be a key element contributing to Straco's success, we seek to attract and retain our talents by pursuing employee satisfaction and job fulfilment through employee engagement and training programmes. In this way, our employees can deliver high-quality work and in turn contribute to the overall success of our business, while maintaining a high level of employee morale.

Hiring and retention
Straco's human resource policies are grounded in the principles of transparency and equal opportunity. We are committed to creating a diverse and inclusive work environment where unique talents, experiences and perspectives are welcomed and respected. All qualified candidates will be considered for employment without discrimination. Discriminatory clauses on geographical origin, gender and appearances are strictly prohibited in our job advertisements.

Straco collaborates with universities, online hiring platforms and recruitment agencies to attract a sustainable pipeline of talents. In addition to maintaining our regular recruitment channels, Straco has increased cooperation with professional recruitment companies, by joining as a 597-talent recruitment network member, and Xiamen Zhilian recruitment network member. As of 31 December 2022, we have a total of 9 Directors[16] and 407 permanent employees. A breakdown of our workforce is shown in the charts below. We have a fairly balanced split of males and females at most employee levels, with a slightly higher proportion of males at the management levels. Age groups are well distributed for employees, with older age groups more represented at more senior levels.

BOARD OF DIRECTORS

By Gender
Female: **2**
Male: **7**

By Age Group
< 30 years old: **0**
30 – 50 years old: **2**
> 50 years old: **7**

EMPLOYEES

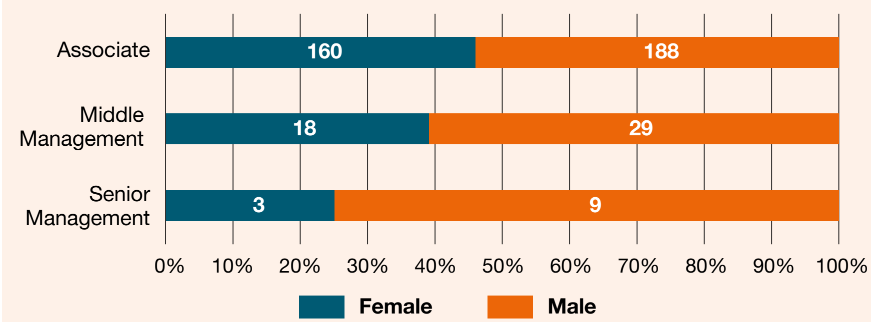
By Location
China: **301**
Singapore: **106**

By Gender
Female: **181**
Male: **226**

By Employee Category
Senior Management: **12**
Middle Management: **47**
Associate: **348**

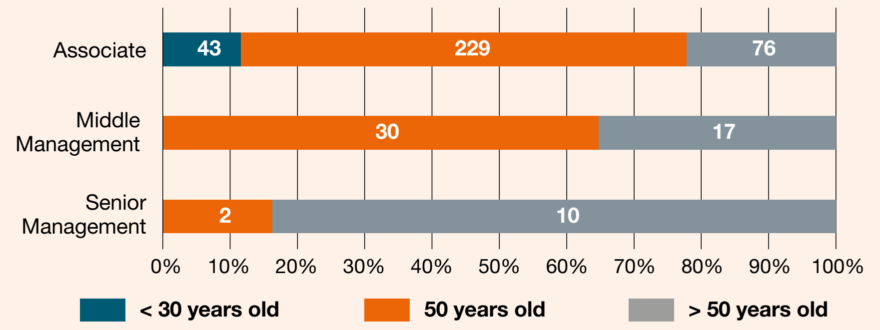
By Age Group
< 30 years old: **43**
30 – 50 years old: **261**
> 50 years old: **103**

Percentage of Employees per Employee Category By Gender (FY2022)



16 *Information pertaining to Board of Directors is applicable for Straco Corporation Limited.*

Percentage of Employees per Employee Category By Age Group (FY2022)



We reward our employees with competitive salaries in line with market standards. Compensation is objectively determined based on employee position, competency and performance. Furthermore, employees are entitled to a variety of benefits, including medical insurance, social insurance, housing allowance, paid leave, transportation subsidies, complimentary tickets to attractions, team-building trips and tokens of appreciation.

With the interests of our employees in mind, we provide feedback channels for employees to express their views and concerns. Examples of communication channels include:

- Representations in workers' unions
- Website feedback portals
- Suggestion box

The Human Resource ("HR") Department practises strategic workforce planning by monitoring the new hires and turnover rates. In 2022, our average annual rates of new employee hires and employee turnover stood at 20.9% and 21.1% respectively. Furthermore, to position Singapore Flyer as a diversified and inclusive employer, SF has recruited Person With Disabilities (PWD) and from Yellow Ribbon project since October 2022. The table below[17] provides a breakdown of the average annual rates of new employee hires and employee turnover by age, gender, and region.

17 *Numbers have been rounded for reporting purposes.*

	NEW EMPLOYEE HIRES		EMPLOYEE TURNOVER	
	Number	Annual Rate[18]	Number	Annual Rate[19]
By age group				
< 30 years old	31	72.1%	28	65.1%
30 - 50 years old	43	16.5%	40	15.3%
> 50 years old	11	10.7%	18	17.5%
By gender				
Male	46	20.4%	44	19.5%
Female	49	27.1%	42	23.2%
By region				
China	46	15.3%	59	19.6%
Singapore	39	36.8%	27	25.5%
Overall				
Overall	85	20.9%	86	21.1%

Training and Education

Straco seeks to provide employees with opportunities for systematic and continued training as retaining competent and motivated employees is one of our priorities. Our training and development programs are tailored to the different professional and learning needs of our employees. Due to the COVID-19 pandemic restrictions, training programmes were either hosted online, or held in line with the safe distancing measures to ensure the safety of our employees. Examples of training programmes conducted in 2022 are illustrated in the table below.

18 *The above rate is calculated based on number of new employee hires per category during the year divided by the total number of employees per category as at financial year end.*

19 *The above rate is calculated based on number of employee turnover per category during the year divided by the total number of employees per category as at financial year end.*

Type	Training Programmes conducted
Orientation	• New staff orientation • Employee code of conduct • Corporate culture induction • Volunteers induction programme
Capacity Building	• Personal grooming • Managerial and leadership skills
Service Quality	• Service etiquettes • Service recovery: how to effectively handle complains • Business English
Aquarium Curation	• Animal keeping SOPs • Industrialised circular aquaculture technology • Understanding Life Support System ("LSS") • Water quality testing and control • Skills for guiding educational tours • Fish digestive systems and nutritional science • Fish anatomy and prevention of common diseases • Aquatic disease diagnosis and treatment • Diver certification courses • Servicing of diving equipment • Aquarium industry conferences • Basic knowledge for animal trainers • Basic medical knowledge for marine animals • Basic seawater chemistry knowledge • Jellyfish breeding • Aquatic plants landscaping
Health and Safety	• First Aid • Fire drill SOPs • Food safety • Safety SOPs for aquatic department • Firefighting facility operation
Specialised Training	• Procurement skills and SOPs • Operating system / software • HR IT Management System • Continued training for accountants • Microsoft Excel • Sales skills • Forklift driving license • Electrical / mechanical certifications

Apart from the above training programmes, we support employees who wish to attend external trainings to build up their managerial and technical capabilities. In addition, we promote training and education by offering preferential compensation and promotional opportunities to employees who undergo skills upgrades. For instance, Singapore Flyer embarked on an Operation and Technology Roadmap exercise with Attractions, Resorts & Entertainment Union (AREU) and Singapore's National Trade Union Congress (NTUC) to develop an eight-year roadmap for Singapore Flyer. It was conducted over 5 half day sessions (from August to October 2022) involved 14 Management staff from respective department and 2 Union Representatives. SF have also obtained the approval from Singapore Tourism Board (STB) on the Job-Resign Grant in November 2022 and identified the job role of operation crew and retail assistant for this programme.

Straco has successfully provided training to its permanent employees, improving from our 2020 performance[20]. In 2022, our permanent employees received 14 hours of training on average, with a breakdown shown in the table below.

AVERAGE HOURS OF TRAINING PER PERMANENT EMPLOYEE PER YEAR[21]

	2018	2019	2020	2021	2022
By gender					
Female	11 hours	13 hours	10 hours	13 hours	14 hours
Male	10 hours	12 hours	12 hours	15 hours	14 hours
By employee category					
Associate	9 hours	11 hours	9 hours	12 hours	19 hours
Middle management	17 hours	23 hours	20 hours	27 hours	29 hours
Senior management	29 hours	23 hours	20 hours	22 hours	12 hours
Overall					
Overall	11 hours	12 hours	11 hours	14 hours	14 hours

To facilitate employees in their retirement planning, we assist them with relevant retirement procedures and offer re-employment opportunities with equal employment terms.

20 In 2020, the average training hours per permanent employee was at 11 hours.

21 Numbers have been rounded for reporting purposes.

In support of our employees' professional development, Straco provides regular performance reviews to communicate employees' performance and career goals. Employee appraisals help us make informed decisions on promotion, transfer, remuneration adjustment and training planning. Straco conducts an annual process review to continually improve the transparency and fairness of the appraisal system. The process review identifies areas for improvement based on experience and feedback. The proposed improvement will be reported to the Corporate Headquarters for approval and will subsequently be incorporated into Straco's formal HR polices. In 2022, 100% of eligible permanent employees[22] for our China entities have received one performance review.

In 2022, we aim to maintain current average hours of training per employee and provide performance review to all eligible permanent employees.

HEALTH AND SAFETY

We place utmost importance on the safety and well-being of our employees and visitors. To prevent, minimise and manage health and safety risks, we adhere to our established SOPs and contingency plans.

In 2022, Straco entities have taken extra care to ensure business operations strictly adhere with local government regulations. Straco will continue to monitor the latest regulations and health advisories to keep employees, visitors, and suppliers safe, including ensuring crowd control measures with the reopening of China.

What is ISO 45001?
ISO 45001 is an international standard that specifies requirements for an occupational health and safety ("OH&S") management system, with guidance for its use, to enable an organisation to proactively improve its OH&S performance in preventing injury and ill-health.

Occupational health and safety risk assessments are conducted, reviewed and updated regularly. To improve accountability, we provide an open communication channel to gather feedback on health and safety related issues. In 2019, in recognition of its robust management of occupational health and safety, Singapore Flyer has been certified under ISO 45001, which replaces OHSAS 18001, have since carried out its third ISO 45001 surveillance audit on 11th Oct 2021.

Comprehensive measures are put in place to manage the higher inherent risks of certain work processes, such as the operation of machinery, handling of animals, as well as scuba diving. Straco hires third party consultants to conduct a comprehensive analysis of risk factors and establish emergency response plans to protect health and safety of tourists and employees. In Straco's aquariums, there are established manuals to guide diver safety. Apart from the necessary scuba diving certificates, divers are trained on safe handling of aquatic animals, especially for predatory and venomous species. As part of the SOP, divers are required to work in pairs, so that underwater emergencies can be addressed promptly by dive buddies. SOA also enrols divers in first aid courses and offers hyperbaric oxygen treatment to all scuba divers as a precautionary measure to build resilience against decompression sickness. Divers are also prone to flu while working during winter, hence SOA purchases high calorie food products to help divers gain energy after every dive. In addition, protective equipment is provided to SOA's employees, such as wire protection arm sleeves when dealing with ferocious animals, and noise-reduction earmuffs to protect against deafening noises in engine rooms and other workplaces where decibel conditions have been tested.

Our employees are provided with access to medical and healthcare services through medical insurance. For instance, SOA supports expenses for medical treatment and work injury and provides all employees with commercial insurance.

We provide extensive health and safety training to all employees and ensure that they undergo compulsory training both prior to the commencement of their work and regularly during the year. For instance, SOA conducts monthly workplace safety trainings for the aquarium department, and each employee is required to attend at least 2 trainings every year.

Straco equips its employees with necessary first aid skills to help those in need. SOA provides employees with on-site training on emergency response and first aid and SF's trained first aiders are sent on refresher courses once every 2 years and AED ("Automated External Defibrillators") refresher courses for first aiders. To facilitate swift emergency response and provide constant surveillance, our premises are installed with sophisticated networks of CCTVs and card access control system. Since 2020, the CCTV system in UWX has been gradually upgraded to achieve full coverage of the premises for increased security in 2022. Within the span of 3 years, Straco has managed to transform the security system from an analogue system to a fully digital system. Digital high-definition cameras have been added as planned in the sea beast breeding area in 2022. Full coverage of UWX's premises has been achieved both inside and outside their facility. With enhanced monitoring, this serves as an added form of safety and protection for tourists' personal wellbeing and property.

22 *Exclude permanent employees who were under probation.*

Figure 1: A demonstration of firefighting training in progress at SOA

Figure 2: Firefighting drill conducted by UWX

Figure 3: AED Training at UWX

Figure 4: A induction session to brief safety rules to new joiners at UWX

As we operate tourist attractions with a high traffic, we place high importance on fire safety. We ensure that our property, including elevators, escalators and stairwells, are well-maintained and our safety equipment is inspected and upgraded whenever necessary. To ensure emergency preparedness, company-wide fire drills are conducted regularly. Straco's employees have received the necessary fire safety training to facilitate a safe evacuation for all. In SF, designated employees in the Company Emergency Response Team ("CERT") received fire-fighting training and underwent refresher courses on a regular basis. In addition to 2 fire drills conducted for all employees in 2022, UWX also had a total of seven safety inspections to investigate potential safety hazards and 3 anti-terrorism trainings for employees.

Located in tropical Singapore, SF ensures that pest control treatment is carried out weekly to prevent health risks such as dengue fever transmitted through infected Aedes mosquitoes.

The following table shows the number of work-related injuries of all permanent employees in 2022.

NUMBER OF WORK-RELATED INJURIES

	2018	2019	2020	2021	2022
Fatalities as a result of work-related injury[23]	0	0	0	0	0
High-consequence work-related injuries[24] (excluding fatalities)	1	0	0	0	0
Recordable work-related injuries[25]	2	9	5	5	10[26]

23 *A work-related injury is defined as negative impacts on health arising from exposure to hazards at work. Two recorded incidents were caused by fall from height. Another incident was injury by fan blade during air-conditioning maintenance work. Two other incidents involved minor cuts or burn due to spilling scalding liquid.*

24 *A high-consequence workplace injury is a work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.*

25 *A recordable work-related injury is a work-related injury that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.*

26 *The various workplace incidents include injury at SOA premises while performing job duties, injury sustained while commuting to or from work by SOA personnel, injuries to hand or limb due to cuts by foreign objects at SF and falls by SF personnel.*

In 2022, the rate of recordable work-related injuries for permanent employees was 12.73[27], calculated based on total man-hours worked of 785,240 in 2022. The work-related injuries mainly included fall from height while conducting maintenance work, car accident and knee hit by metal tube.

Through risk assessments, Straco has identified the following work-related hazards that pose a risk of high-consequence injury: falling from height while working on elevated equipment and collision with moving equipment during maintenance, tripping on slippery floor for SF's employees and major traffic accidents within office hours for SOA's employees. None of the above have caused or contributed to a high-consequence injury in 2022. In order to minimise the risks arising from these hazards, we conduct risk assessments prior to commencement of work, continuously review and strengthen operating procedures, enhance safety training and equip employees with protective equipment such as defibrillators. For SF, workers and supervisors are required to undergo work at heights training and abide by safety SOPs, including proper use of safety equipment and conducting safety briefing before commencement of work.

In 2022, we have achieved our target set of continuing to provide relevant training on health and safety as well as maintained zero workplace fatalities. For 2023, we aim to continue providing relevant training on health and safety and achieve zero high-consequence work-related injuries, including fatalities.

LOCAL COMMUNITY

As a responsible corporate citizen, Straco aspires to create positive environmental and social impacts. We position our aquariums as ambassadors for marine conservation and seek to play our part in education and research. Across its assets, Straco also contributes to the local communities through our social and charitable initiatives, and managed to conduct more community-based events in 2022.

Conservation Education

As SOA and UWX are operating aquarium attractions with high visitor flow, we have undertaken the social responsibility to educate the public and inspire passion for marine conservation through educational programmes.

In 2022, SOA and UWX continued organising a range of in-house tours and outreach programmes when possible. Throughout the year, SOA conducted 7 educational outreach events which comprises of Science and Technology Festival educational

27 *The above rate is calculated based on* $\frac{\text{number of recordable work-related injuries}}{\text{number of man-hours worked}} \times 1{,}000{,}000$ *hours worked. Outsourced workers who are not employees, such as contract cleaners, security and landscaping workers, have been excluded in this disclosure as their data are submitted to their respective employers.*

event, National Popular Science Day Outreach Event as well as other school educational outreach events and tours. Similarly, UWX conducts various activities such as competitions and educational tours in local communities and within its aquarium to spread marine knowledge and advocate the importance and urgency of environmental protection. During the year, UWX conducted 8 types of such activities, ranging from public charity events to remote learning sessions to public education and exhibitions. This totals to 18 outreach activities in 2022, a drop from previous years due to COVID-19 restrictions.

Figure 5: Students attending SOA's public outreach programme

Below are some highlights of the educational programmes and initiatives in 2022:

1. SOA: 2022 Science and Technology Festival Educational Outreach Campaign
During the festival, SOA organized offline activities such as "Explore the Ocean - Scavenger Hunt" and "Ocean Fun Science Course", which attracted a total of 1,120 participants. SOA utilized online we-media platform (WeChat/Weibo/WeChat Channels) to release a total of 6 event tweets and videos that includes marine fun science popularization course and popular science Q&A. SOA also organized the official Douyin slow live broadcast - feel the beauty of the ocean, with an online audience of more than 100,000 people.

Figure 6: 2022 Science and Technology Festival Educational Outreach Campaign conducted in person

2. UWX: Sharing Marine Knowledge
In 2022, UWX Science and Education Department adheres to the educational route of "going out and bringing in" by going deep into the schools to carry out popular science lecture and publicize the high-quality research activities of the enterprise, attracting students and parents to visit the museum. UWX successfully organised key educational activities such as the "Little Trainer" marine parent-child study activity and the "Sleeping with Fish - Ocean Wonderful Night" overnight study activity.

Figure 7: Public excursion in January 2022, co-organised with the Ocean Development Bureau with UWX.

Figure 8: Ludao Youth Tour group at UWX

Figure 9: 2022 National Aquatic Wildlife Protection Promotion Month (Xiamen Station) in November 2022

Social Cohesion and Charity
Straco is also committed to serving the local community through social and charitable activities. Below are the highlights in 2022:

1. SOA: Complimentary visits and public education activities
- Distributed a total of 15,000 complimentary tickets to encourage public to participate in the government's educational science cartoon activity.
- Engaged a total of 215 university volunteers through its volunteering platform.
- Partnered with WildAid (international wildlife rescue organization) to promote wildlife biodiversity protection content on SOA WeChat official account.
- Organized educational activities focused on sustainable seafood on National Popular Science Day.

2. UWX: Complimentary visits and public education activities
- Continued preferential prices for student groups, spring and autumn tours, summer (winter) camps and popular science tours.
- Organised complimentary tours for 45 award winners from Xiamen Marine Development Bureau's marine science popularization events.
- Launched 10 learning sessions to 6 schools, reaching out to 800 students in total.
- Sponsored the 2022 National Marine Wildlife Conservation Month Event in Xiamen.

Figure 10: Educational Programme to teach young childern about coastal protection, organised by UWX

3. SF: Involving the underprivileged, the disabled and the elderly

Figure 11: Residents in Tanjong Pagar enjoying a ride at Singapore Flyer

- It's Raining Raincoats Initiative: Through the tickets donated using the SingapoRediscovers Vouchers, Singapore Flyer continued to organise Sunday afternoon group visits for the migrant worker groups. 30 group visits were successfully organized from January 2021 to October 2022.
- Migrant Workers' Centre (MWC) May Day Migrant Workers' Celebrations: Singapore Flyer sponsored a trip for key MWC ambassadors who have gone above and beyond the call of duty to assist their fellow migrant worker brothers during the period of pandemic.
- Singapore Children's Society Donation Draw: Singapore Flyer supported their signature fundraising event, Donation Draw, by contributing a set of prizes for the Draw. The Donation Draw is an important fundraising project where the sales of the tickets are channeled towards the general funds of the Society to support and make a difference in the lives of our children, youth, and families in need.
- Singapore Exchange (SGX) Ultimate Quiz Challenge: Singapore Flyer supported their fundraising efforts through the sponsorship of attraction tickets. This charity initiative supports the underprivileged children and families, persons with disabilities, special needs, and the elderly.
- Agency for Integrated Care (AIC): For the 2nd year, Singapore Flyer lent its support to AIC for its Community Care Day through special rate tickets, in recognition and appreciation of the contribution of the community staff.
- SingHealth Healthcare Workers: Singapore Flyer partnered with SingHealth to offer corporate discounts for all SingHealth staff, as part of their staff wellness efforts to bolster and maintain the wellbeing of their staff.
- Promote Mandarin Council: For the 6th year running, Singapore Flyer has been a prize sponsor for the Speak Mandarin Campaign Family Talent Competition, which promotes fun learning of Mandarin through family bonding.
- Inter-Generation Singing Competition: Organised by the Singapore Chinese Chamber of Commerce & Industry (SCCCI) and Ministry of Social and Family Development, Singapore Flyer sponsored prizes for the competition, which celebrates intergenerational bonding between grandchildren and their grandparents in Singapore.
- Light Ups: Being a prominent landmark in Singapore's skyline, Singapore Flyer participated in various light up campaigns such as (World Water Day, World Alzheimer's Day and DrugFreeSG), lending our voice in amplifying the messages.

In 2022, despite the COVID-19 restrictions, we followed through on our commitment to continually support conservation and contribute to society. During the year, SOA organised 7 educational programmes, UWX and SF continued to collaborate with partner institutions to create unique educational experiences for the local community through its abovementioned initiatives.

Going forward, we will remain committed to our efforts in conservation education, building social cohesion and charitable giving. In 2023, SF aims to organise at least 2 CSR activities while UWX and SOA strive to support the local communities through partnerships and educational programmes.

Governance

REGULATORY COMPLIANCE

Straco adopts strong corporate governance to ensure sustainable development and manage ESG performance. We continue to strengthen our internal control and risk management, to comply with relevant laws and regulations and uphold a high level of business ethics.

At Straco, we actively identify and manage our regulatory risks. We adhere to relevant environmental and socio-economic laws concerning a range of issues including effluent discharge, labour practices, employee and customer health and safety, animal sourcing, as well as animal well-being and prevention of zoonotic diseases. Relevant policies and procedures are covered in our employee induction programme and formalised as part of our employee conduct. As part of the assurance and monitoring process, Straco has established whistle-blowing channels to empower employees to report any impropriety, non-compliance or fraudulence.

In view of the constantly evolving regulatory landscape, Straco's management team monitors changes to the applicable laws and regulations and relevant matters are discussed during management meetings. Our internal risk management policies and employee communications are updated accordingly to keep abreast of regulatory changes. For example, in consideration of climate change and evolving population studies, the conservation status of animals in CITES are subjected to continued updates. In response, Straco's aquariums closely follow the latest updates of CITES requirements and conduct thorough supplier due diligence before acquiring animals. We also make sure all voluntary and mandatory licenses are updated as necessary.

In 2022, there were no incidents of non-compliance with environmental and socio-economic laws and regulations which resulted in significant fines or sanctions. Thus, Straco has achieved its target set for the year. In the coming year, Straco intends to achieve the same target.

Awards and Recognitions

In 2022, Straco has received several awards and certifications in recognition of its achievements in sustainability. Below are some examples:

Shanghai Ocean Aquarium

- Deng Weiqing, head of the Aquarium Department, won the "Excellence Award" of the "3rd National Economic and Technological Development Zone Team Leader Management Skills Competition" in Pudong, Shanghai

Underwater World Xiamen

- Received "A" grade for educational base in Siming District
- Received third prize for the 9th Xiamen Educational Volunteer Talent Competition
- Awarded Xiamen Educational Research Award for "Sleeping with the Fishes" overnight activity

Singapore Flyer

- SG Clean Certification (cycle 2) till 31 December 2022 for Singapore Flyer (including Time Capsule, F&B stalls, Gift shop and Sky View Pavilion)
- 1st Year Surveillance Audit ISO45001:2018 was conducted in June 2022

GRI Content Index

This report has been prepared with reference to GRI Standards 2021. For reference, we present our GRI content index below. The index specifies where each of the GRI Standards used in this report can be found.

GRI Standard Disclosure	GRI Disclosure	Reference Pages
GRI 2: General Disclosures 2021	2-1 Organizational details	16, 19
	2-2 Entities included in the organization's sustainability reporting	19
	2-3 Reporting period, frequency and contact point	19,20
	2-7 Employees	20, 28 - 31
	2-9 Governance structure and composition	16, 28 - 29
	2-27 Compliance with laws and regulations	18, 37
GRI 3: Material Topics 2021	3-2 List of material topics	17 - 19
GRI 302: Energy 2016	302-1 Energy consumption within the organization	17, 23 - 24
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	17, 24 - 26
	303-4 Water discharge	17, 24 - 26
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	24
	305-2 Energy indirect (Scope 2) GHG emissions	17, 24
	305-4 GHG emissions intensity	17, 24
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	29
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	33
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	17, 30
	404-2 Programs for upgrading employee skills and transition assistance programs	29 - 30
	404-3 Percentage of employees receiving regular performance and career development reviews	17, 31
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	28
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programs	17, 33 - 36

Group Structure

STRACO CORPORATION LIMITED

- 95% Shanghai Ocean Aquarium Co., Ltd
- 100% Underwater World Xiamen Co., Ltd
- 100% New Bay Holdings Pte Ltd
- 100% Infotainment Development & Management Pte Ltd
- 100% Straco Creation Pte Ltd
- 95% Xi'an Lintong Zhongxin Tourism Development Co., Ltd
- 95% Lintong Lixing Cable Car Co., Ltd
- 100% Bay Attractions Pte Ltd
- 90% Straco Leisure Pte Ltd

THE DETAILS OF OUR GROUP ARE AS FOLLOWS:

Name of Company	Date and place of incorporation	Principal business	Principal place of business	Effective Percentage Owned
Straco Corporation Limited	25 April 2002 Singapore	Development and management of tourism-related businesses	10 Anson Road, #30-15 International Plaza, Singapore 079903	-
Shanghai Ocean Aquarium Co., Ltd	18 December 1995 People's Republic of China ("PRC")	Development and operation of aquatic-related facilities	No. 1388 Lujiazui Ring Road, Shanghai, PRC	95%
Xi'an Lintong Zhongxin Tourism Development Co., Ltd	25 December 1995 PRC	Development and operation of tourism-related facilities	Middle Section, Huaqing Road, Lintong, Xi'an, PRC	95%
Lintong Lixing Cable Car Co., Ltd	31 March 1992 PRC	Operation of cable car facilities	No. 25, Huaqing Road, Lintong, Xi'an, PRC	95%
Infotainment Development & Management Pte Ltd	3 February 1996 Singapore	Provision of management and consulting services and overall project management for the Group and third parties	10 Anson Road, #30-15 International Plaza, Singapore 079903	100%
Straco Creation Pte Ltd	8 August 2006 Singapore	Dormant	10 Anson Road, #30-15 International Plaza, Singapore 079903	100%
New Bay Holdings Pte Ltd	29 September 1993 Singapore	Investment Holding	10 Anson Road #30-15 International Plaza, Singapore 079903	100%
Underwater World Xiamen Co., Ltd	11 October 1994 PRC	Operation of aquatic-related facilities and performances	No.2, Longtou Road, Gulangyu Park, Xiamen City, PRC	100%
Bay Attractions Pte Ltd	1 August 2014 Singapore	Investment Holding	10 Anson Road #30-15 International Plaza, Singapore 079903	100%
Straco Leisure Pte Ltd	1 Feb 2011 Singapore	Operation of a circular giant observation structure, and provision of retail space	30 Raffles Avenue Singapore 039803	90%

Corporate Governance

The Board of Directors (the "**Board**") of Straco Corporation Limited ("**Straco**" or the "**Company**") is committed to good standards of corporate governance to enhance corporate performance and accountability. The Company has adopted, as far as possible, the principles and practices of corporate governance in line with the recommendations of the Code of Corporate Governance 2018 (the "**Code**").

The Board recognizes the need to keep balance with accountability, in creating and preserving shareholder value and achieving its corporate vision for the Company and its subsidiaries (the "**Group**").

This statement on the corporate governance practices of Straco describes the corporate governance policies practiced by Straco during the year ended 31 December 2022, with specific references made to each of the principles and provisions set out in the Code. Explanations are provided where there are deviations from the Code.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The Board holds meetings on a regular basis throughout the year to approve the Group's key strategic plans as well as major investments, disposals and funding decisions. The Board is also responsible for the overall corporate governance of the Group.

The principal functions of the Board include the following:

- Set long-term strategic objectives, monitor the progress towards achieving these goals, and ensure that the necessary financial and human resources are in place for the company to meet its objectives;

- Oversee the establishment and operation of an enterprise risk management framework and the review of the adequacy and effectiveness of the Company's risk management and internal control systems, including safeguarding of shareholders' interests and the company's assets;

- Establish, with the management of the Company (the "**Management**"), the strategies and financial objectives to be implemented, and monitor the performance of the Management;

- Identify the key stakeholder groups to understand and consider their key focus areas;

- Set the company's culture and ethical standards;

- Consider sustainability issues, including environmental, social and governance factors, when formulating the company' strategies.

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company. The Board also sets an appropriate tone from the top and a desired organizational culture, in the areas of code of conduct and ethics, and ensures proper accountability within the company.

Corporate Governance

To assist the Board in the execution of its responsibilities, the Board is supported by three (3) board committees namely, the Audit and Risk, Nominating, and Remuneration Committees (collectively the "**Board Committees**"), the details of which are as set out below. These Board Committees have the authority to examine specific issues as set out in the terms of reference for each of the respective committees and report back to the Board with their recommendations. The Board Committees play an important role in ensuring good corporate governance in the Company and within the Group. Nonetheless, the ultimate responsibility for the final decision on all matters, lies with the entire Board.

The Board hosts regular scheduled meetings on a quarterly basis, that are attended all the Board Members. When circumstances require, ad-hoc meetings are arranged. A Board member contributes both at formal Board meetings as well as outside of these meetings. Therefore, to focus on a Director's attendances at formal Board meetings may not reflect the level of contributions made outside of those meetings and may lead to a narrow view of a Director's contributions.

Details of Directors' attendance at the Board and Board Committee Meetings held in the financial year ended 31 December 2022 are disclosed in the table below:

Board Members	Board	Nominating Committee	Remuneration Committee	Audit and Risk Committee
Wu Hsioh Kwang *Executive Chairman*	4/4	1/1	NA	NA
Li Weiqiang *Non-Executive Director*	4/4	NA	NA	NA
Chua Soh Har *Non-Executive Director*	4/4	NA	1/1	NA
Tay Siew Choon *Lead Independent Director*	4/4	1/1	1/1	NA
Lim Song Joo *Independent Director*	4/4	NA	NA	4/4
Teo Ser Luck *Independent Director*	4/4	NA	1/1	4/4
Hee Theng Fong *Independent Director*	4/4	1/1	NA	4/4

The Company's Constitution provides for the Directors to participate in the meetings of the Board and Board Committees via electronic means or in such manner as the Board may determine to facilitate Board participation.

Corporate Governance

Matters Requiring Board Approval

The Board has identified a number of areas for which the Board has direct responsibility for decision making. Interested Person Transactions and the Group's internal control procedures are also reviewed by the Board.

The Board also meets to consider the following corporate matters that require Board approval:-

- Review and approve results announcements;
- Approval of the Annual Reports and year-end financial statements;
- Convening of Shareholders' Meetings;
- Approval of Corporate Strategies;
- Material Acquisitions and Disposal of assets;
- Approval of annual business plan and annual budget;
- Reports of the Board Committees;
- Conflict of Interest and IPT Register;
- Disclosure of Directors' interests pursuant to Sections 156/165 of the Companies Act 1967 of Singapore ("**Companies Act**");
- Review of Board Assurance Framework;
- Review and approve major investments, divestments, and funding decisions.

A formal Delegation of Authority document, setting out certain delegations of authority from the Board to Management, is in place and was approved by the Board.

Internal guidelines have been established which require all Board members who have a conflict of interest in a particular agenda item to abstain from participating in the relevant Board discussion.

Director's Training and Induction

All Directors are updated regularly concerning any changes in the Company's policies, risks management, key changes in the relevant laws, regulations, regulatory requirements and accounting standards. The Company also provides ongoing education on Board processes, governance and best practices.

The Company funds Directors' participation at industry conferences, seminars or any training program in connection with their duties as Directors. In addition, Directors also undergo training on sustainability.

Newly appointed Directors with no prior experience as a director of a listed issuer on the Singapore Stock Exchange will undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Newly appointed Directors are also briefed on the business activities of the Group and its strategic directions. Upon appointment, the Company will provide each newly appointed Director with a formal letter and will provide a briefing by senior management of the Company to the new Directors on the business activities of the Group and its strategic directions, as well as setting out their duties and responsibilities as Directors. They are also provided with relevant information on the Company's policies and procedures. There will be an orientation program to ensure that newly appointed Directors are familiar with the Group's business and governance practices. The Company will also provide training in areas such as accounting, legal and industry-specific knowledge as appropriate for Directors who have no prior experience as a director of a listed company.

Corporate Governance

In order to ensure that the Board is able to discharge its responsibilities, all Directors have unrestricted access to the Company's records and information. Management is required to provide complete, adequate and timely information to the Board on the Board's affairs and issues that require the Board's decision as well as ongoing reports relating to operational and financial performance of the Company.

The Management understands and carries out its role to provide all members of the Board with management accounts and explanation and information providing a balanced and informed assessment of the Company's performance, position and prospects. All Board members are provided with a monthly management report on the Group's performance for effective monitoring and decision making.

Generally, Board papers which comprise of quarterly or half-yearly results, SGX announcements, internal audit reports, and other information or financial analysis as required for the meetings and discussions, are prepared for each meeting and normally circulated four to seven days in advance of each meeting, to give directors sufficient time to review and consider the matters to be discussed so that discussions during the meeting can be more meaningful and productive. The Board papers provide sufficient background and explanatory information from the Management relating to matters to be discussed, and copies of disclosure documents, formal presentations made by Management in attendance at the meetings, or by external consultants engaged on specific projects. Annual budget papers with explanations on material forecast variances are also tabled for Board approval. Directors are also informed as and when there is any significant development or events relating to the Group's business operations.

The Board has separate and independent access to the senior management and the Company Secretary at all times. Directors are also entitled to request from the Management and be provided with such additional information as needed to make informed decisions. If the Directors, whether as a group or individually, need independent professional advice, the Company will upon directions by the Board, appoint a professional advisor selected by the group or individual to render the advice. The cost of such professional advice will be borne by the Company.

The Board has delegated specific responsibilities to the Board Committees. These Board Committees, have each been formed with clear written terms of reference which clearly set out its objectives, scope of duties and responsibilities, rules and regulations, and procedures governing the manner in which it operates and how decisions are to be taken, and assists the Board in carrying out and discharging its duties and responsibilities efficiently and effectively. These Board Committees are each chaired by an Independent Director.

More details on each of the Board Committees, including the names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions and a summary of their activities, are set out in the further sections of this Report.

The Company Secretary, or her representatives, attends all Committee and Board meetings and is responsible to ensure that the required procedures are adopted. Together with the Management, the Company Secretary ensures the Company's compliance with all rules and regulations, including requirements of the Companies Act, Securities and Future Act 2001 of Singapore (the "**Securities and Futures Act**"), and the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**"), which are applicable to the Company, with the Board retaining ultimate responsibility for compliance.

The appointment and removal of the Company Secretary are subject to the approval of the Board.

Corporate Governance

Principle 2: Board Composition and Guidance

The Board comprises an Executive Chairman and six non-executive Directors. Of the six non-executive Directors, four are Independent Directors, making up more than one-half of the Board.

The independence of each Director is reviewed annually by the Nominating Committee in accordance with the Code's definition of independence to ensure that the Board is capable of exercising objective judgment on corporate affairs of the Group. The Nominating Committee has reviewed the "Confirmation of Independence" forms completed by each Independent Director, and is of the view that the four Independent Directors are independent in accordance with the definition of independence in the Code and Rules 210(5)(d)(i) and (ii) of the Listing Manual. The Independent Directors have confirmed that they do not have any relationship with the Company, its related companies, its officers or its substantial shareholders (being shareholders who have an interest in 5% or more of the aggregate number of votes attached to all voting shares of the Company) who could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment. The appointment of each Director is based on his caliber, experience, stature and potential contribution to the Company and its businesses. Our current Directors are respected individuals with diverse expertise and a good track record in their respective fields.

Mr. Tay Siew Choon and Mr. Lim Song Joo have each served as Independent Directors for more than nine years. The Board has carried out a rigorous review of their independence status. The Board's view is that Mr. Tay Siew Choon and Mr. Lim Song Joo continue to demonstrate their abilities to exercise strong independent judgment in their deliberation and act in the best interests of the Company and that their length of service on the Board have not affected their independence from the Management. Both Mr. Tay and Mr. Lim continue to express their views, debate issues and objectively and actively scrutinize and challenge the Management. Further, having gained in depth understanding of the business and operating environment of the Group, and significant insights in the Group's operations, they provide the Company with much needed experience and knowledge of the industry, critical to its continual success. At the AGM held on 27 April 2021, shareholders had approved the re-election of Mr. Tay and Mr. Lim under the two-tier voting system in force at that point in time, in compliance with Rule 210(5)(d)(iii) of the Listing Manual which was in effect then. After taking into account the foregoing factors and having weighed the need for Board refreshment against tenure for relative benefit, the Nominating Committee and the Board (save for Mr. Tay and Mr. Lim who abstained from deliberation of this matter) have reviewed and determined that Mr. Tay and Mr. Lim continue to qualify to be Independent Directors, notwithstanding that their length of service on the Board has each been more than nine years. In accordance with Rule 210(5)(d)(iv) of the Listing Manual, which shall take effect at the Company's AGM for the financial year ending 31 December 2023, Mr. Tay and Mr. Lim shall from the conclusion of such AGM no longer be deemed independent and shall resign from the Board or continue to serve as Non-Independent Directors, should the Board at the relevant time assesses this to be beneficial to the Company, subject to shareholders approval.

The Board notes that while Mr. Hee Theng Fong was a Consultant in Harry Elias Partnership LLP, a legal firm which has rendered legal services to, and received fees from the Group in the financial year ended 31 December 2022, he is not the partner acting for the Group.

The Nominating Committee has reviewed and concluded that the professional fees of S$134,000/- paid to Harry Elias Partnership LLP (and not to Mr. Hee Theng Fong) did not exceed the threshold provided in Practice Guidance 2 of the Code and is of the view that the relationship does not affect Mr. Hee Theng Fong's ability and willingness to operate independently.

Throughout the years, the Non-Executive Directors including the Independent Directors participate actively during Board meetings, constructively challenge and help develop proposals on strategy, review the performance of Management in achieving the agreed goals and objectives and monitor the reporting of performance. The Non-Executive Directors including the Independent Directors meet without the presence of the Management so as to facilitate more effective and independent checks on Management.

Corporate Governance

The Nominating Committee is of the view that the current Board is capable of providing the necessary expertise to meet the Board's objectives and that no individual or small group of individuals dominates the Board's decision-making process.

The Board is of the view that the current Board size of seven Directors is appropriate, taking into account the nature and scope of the Company's operations. Nonetheless, where necessary, the Board will review its current size to ensure that it is appropriate and effective to facilitate decision making, taking into account the nature and scope of the Company's operations.

A Board Diversity Policy is in place and was approved by the Board. The Company believes in diversity and values the benefits that diversity can bring to its Board. Diversity promotes the inclusion of different perspectives and ideas, mitigates against groupthink and ensures that the Company has the opportunity to benefit from all available talent.

The Board comprises Directors with a diverse mix of backgrounds, bringing with them skills and expertise in strategic planning, business management, investment and entrepreneurship across various industries such as finance, technology, general commodities, pharmaceutical, event management, legal, and others. Many of our Directors have served as directors in companies elsewhere in Asia, including China, where a significant portion of our Group's business is located. In terms of gender diversity, the Company has one female Director, namely Mdm. Chua Soh Har, representing 14.3% of the total Board membership. Mdm. Chua has been a member of the Board since 2010. The Company continues to benefit from her contributions in terms of improved and robust discussion and decision-making at the Board.

Our Company seeks to maintain a Board comprised of talented and dedicated directors with a diverse mix of expertise, experience, skills, geography, age, gender and background that reflects the diverse nature of the business environment in which the Company operates. Taking into account our Company's business environment, current plans and future strategy, and on an assessment of the background, capabilities and other attributes of our Directors as elaborated above, the Nominating Committee is satisfied of the current diversity of the Board.

The Nominating Committee and the Board also apply the same standards as set out above in their consideration of any alternate director to be appointed by any existing Board member, whether it be an Executive or an Independent Director. The Nominating Committee and Board members has carried out a rigorous review of the two current alternate directors of the Company and are of the view that they have the necessary qualifications and experience to carry out their duties as alternate directors in the Company.

Key information regarding the Directors' qualifications and experience can be found under the "Board of Directors" section of this Annual Report.

Principle 3: Chairman and Chief Executive Officer

The Executive Chairman of the Board is Mr. Wu Hsioh Kwang. The Board is of the opinion that the present Group structure and business scope does not warrant a meaningful split of the roles of the Chairman and the Chief Executive Officer. The Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual exercising any considerable concentration of power or influence.

As Executive Chairman, Mr. Wu plays an instrumental role in developing the business of the Group and provides the Group with strong leadership and overall business directions. He leads the Board to ensure its effectiveness on all aspects of its role, and ensures that each member of the Board and the Management works well together with integrity and competency.

Corporate Governance

With the assistance of the Company Secretary, the Executive Chairman schedules and prepares the agenda for Board meetings and ensures adequate time is available for discussion of all agenda items, in particular strategic issues. He promotes an open culture for debate and ensures that independent and non-executive directors are able to speak freely and contribute effectively. He also exercises control over the quality, quantity and timeliness of the flow of information between the Management and the Board.

In addition, Mr. Wu plays a pivotal role in fostering constructive dialogue between shareholders, the Board and the Management at AGMs and other shareholders meetings. He also takes a leading role in ensuring that the Company strives to achieve and maintain a high standard of corporate governance practices with the full support of the Board, the Company Secretary, and Management.

All major decisions made by the Executive Chairman are reviewed by the Board and his remuneration package is reviewed periodically by the Remuneration Committee.

Mr. Tay Siew Choon, the lead independent Director of the Company, is also an independent channel of communication for Independent Directors and shareholders who have concerns and for which contact with the Executive Chairman or Chief Financial Officer has failed or is inappropriate.

Principle 4: Board Membership

The Nominating Committee comprises Mr. Tay Siew Choon, Mr. Wu Hsioh Kwang and Mr. Hee Theng Fong. Mr. Tay Siew Choon is the Chairman of the Nominating Committee and is not, or is not directly associated with a substantial shareholder of the Company. Mr. Tay Siew Choon and Mr. Hee Theng Fong are Independent Directors.

The responsibilities of the Nominating Committee include nominating persons for appointment as Directors, determining the independence of a Director, recommending processes and criteria for evaluating the performance of the Board, Board Committees and Directors, deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director and reviewing the succession plans as well as training and professional development programs for the Board and other key positions. The criterion for independence is based on the definition as set out in the Code.

Key information on the Directors and their shareholdings in the Company are found on pages 6, 7 and 66 of this Annual Report respectively.

In the nomination and selection process, the Nominating Committee reviews the composition of the Board by taking into consideration the mix of expertise, skills and above attributes of existing Board members to identify desirable competencies and attributes to fill a particular vacancy (if any) and enhance the Board's capabilities. The Nominating Committee also considers the Company's business strategies and long-term success. This enables the Nominating Committee to source for candidates who possess the traits, knowledge and abilities that will contribute to the Board's activities and the strategic business areas of the Group. Newly appointed Directors are however required to submit themselves for re-election at the next AGM of the Company.

We believe that Board renewal must be an ongoing process, to both ensure good governance and maintain relevance to the changing needs of the Company and business. Article 117 of our Constitution provides that one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number rounded to the nearest one-third shall retire from office at every AGM. Our Constitution also requires that no Director stay in office for more than three years without being re-elected by shareholders.

Corporate Governance

A retiring Director shall be eligible for re-election. In recommending that a Director be nominated for re-election, the Nominating Committee assesses each candidate's suitability for re-appointment prior to making its recommendation, carefully taking into consideration factors such as the Director's record of attendance and participation, his candour, performance and overall contribution to the Board and the Group; as well as his/her ability to adequately carry out the duties expected while performing his/her roles in other companies or in other appointments. Each member of the Nominating Committee will abstain from voting on any resolution and making any resolutions and/or participating in any deliberations of the Nominating Committee in respect of the assessment of his performance or nomination for re-election as a Director.

This year, Mr. Wu Hsioh Kwang and Mr. Li Weiqiang will be retiring at the forthcoming AGM, pursuant to the requirements of Article 117 of the Company's Constitution, and will be seeking re-election as Directors of the Company. The Nominating Committee has reviewed and is satisfied with their contribution and performance as Directors and has endorsed their nomination for re-election.

Several of our Board members have multiple listed board representations and other principal commitments, as follows:

Director	**Listed board representations and principal commitments (other than in our Company)**
Mr. Wu Hsioh Kwang	-
Mr. Tay Siew Choon	Pan United Corporation Limited TauRx Therapeutics Limited Wista Laboratories Limited TauRx Pharmaceuticals Limited
Mr. Lim Song Joo	-
Mr. Hee Theng Fong	Yanlord Land Group Limited Haidilao International Holding Ltd China Aviation Oil (Singapore) Corporation Limited H World Group Limited Greenlink Digital Bank Pte Ltd
Mr. Teo Ser Luck	BRC Asia Limited Serial Systems Limited China Aviation Oil (Singapore) Corporation Limited Yanlord Land Group Limited Super Hi International Holding Ltd
Mdm. Chua Soh Har	-
Mr. Li Weiqiang	Poly Cultural Group Co. Ltd
Ms. Wu Xiuyi (alternate Director to Mr. Wu Hsioh Kwang)	-
Mr. Sean Wu Xiuzhuan (alternate Director to Mdm. Chua Soh Har)	-

Corporate Governance

The Board and Nominating Committee have assessed whether and are satisfied that the Directors have devoted sufficient time and attention to the Group. Factors considered by the Board and Nominating Committee include, amongst others, the nature of the Directors' other appointments, the extent of the Directors' involvement in companies with an adverse track record, history of irregularities or that has been investigated by regulators, and the impact thereof on the Company. The Board recognizes that different board representations and other principal commitments may allow Directors to gain expertise that enriches their contributions to the Company and deems it unnecessary to set a maximum number of listed board representations that any Director may hold as all the Directors are, on assessment of their contributions to the Board, able to devote sufficient time to the Company's affairs in light of their other commitments. However, as a general guideline to address time commitments that may be faced, a Director who holds more than five listed company board representations will consult the Chairman of the Nominating Committee before accepting any new appointments as a Director.

Ms. Wu Xiuyi was appointed as alternate Director to Mr. Wu Hsioh Kwang and Mr. Sean Wu Xiuzhuan was appointed as alternate Director to Mdm. Chua Soh Har. The Nominating Committee notes the Code's practice guidance which provides that alternate Directors should be appointed in exceptional cases. The Nominating Committee and the Board will review the period and circumstances for the appointment of the alternate Directors where necessary. Having considered the expertise and experience of Ms. Wu Xiuyi and Mr. Sean Wu Xiuzhuan, the Nominating Committee and the Board are of the view that the two alternate Directors are appropriately appointed. Each of the alternate Directors bear all duties and responsibilities borne by, and are subject to the same rules and procedures as the non-alternate Directors of the Company.

Principle 5: Board Performance

The Nominating Committee will use its best efforts to ensure that Directors appointed to the Board and its Board Committees possess the necessary background, experience and knowledge to enable balanced and well-considered decisions to be made by the Board and the Board Committees.

In line with the principles of good corporate governance, the Nominating Committee had, without the engagement of an external facilitator, implemented an annual performance evaluation process to assess the overall effectiveness of the Board as a whole. The members of the respective Board Committees are requested to complete evaluation forms tailored for assessing the effectiveness of the Board Committees. To evaluate the effectiveness of the Board as a whole, the Nominating Committee considers the adequacy and size of the Board, the Board's access to information, Board processes and accountability, and communication with senior management. Individual evaluation is also carried out to assess whether the Executive Chairman and each Director continues to contribute effectively and demonstrates commitment to his/her role and duties. The criteria for evaluation are reviewed by the Nominating Committee each year and changes are made where circumstances require. The results of the evaluation are used constructively by the Nominating Committee to identify areas for improvement and to recommend to the Board the appropriate action to be taken. Following the review, the Board is of the view that the Board and its Board Committees operate effectively.

In assessing each individual Director's contribution and performance and in considering the re-election of any Director, the Nominating Committee considers, amongst other factors, the Director's attendance record at meetings of the Board and Board Committees, the intensity of participation in the proceedings at meetings and quality of contributions made.

Apart from the fiduciary duties (i.e. to act in good faith, with due diligence and care and in the best interest of the Company and its shareholders), the Board's key responsibilities are to set strategic directions and to ensure that the long-term objective of enhancing shareholders' value is achieved. The Board's performance is also measured by its ability to support the Management especially in times of crisis and to steer the Company towards profitable directions. In doing so, the Board will take into consideration financial and other indicators for evaluating the Board's performance.

Corporate Governance

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies
Principle 7: Level and Mix of Remuneration

The Remuneration Committee comprises three Non-Executive Directors, two of whom (including the chairman of the Remuneration Committee), are Independent Directors. The members of the Remuneration Committee are Mr. Tay Siew Choon, who is also the Chairman, Mr. Teo Ser Luck and Mdm. Chua Soh Har.

The Remuneration Committee is governed by its written terms of reference which set out its authority and duties. The key function of the Remuneration Committee is to review and recommend to the Board, in consultation with the Management, a framework for all aspects of remuneration such that there is a formal and transparent procedure for fixing the remuneration package of individual Directors. The Remuneration Committee also determines the specific remuneration packages and terms of employment for the executive Director as well as senior executives. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind shall be covered by the Remuneration Committee. Each member of the Remuneration Committee shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations in respect of his/her remuneration package.

The Remuneration Committee has authority to engage expert professional advice on human resource matters whenever there is a need to consult externally. The Remuneration Committee will, in its deliberations for such, take into consideration industry practices and norms in compensation in addition to the Company's relative performance and the performance of the individual Directors. No expert advice was sought during the financial year.

The Remuneration Committee will review the Company's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The Remuneration Committee aims to be fair and avoid rewarding poor performance.

The Remuneration Committee reviews the remuneration packages for the Executive Directors and key management personnel. In its review, the Remuneration Committee takes into consideration the pay and employment conditions within the industry and comparable companies, as well as the Company's relative performance and the performance of the individual Director and key management personnel, so as to attract, retain and motivate them to run the Group successfully.

The Executive Directors' and key management personnel's performance, is taken into account in determining their remuneration, and is assessed annually against set performance criteria (including leadership competencies, core values, personal development and commitment). The Company's performance is measured based on a balanced set of financial and non-financial criteria including operational performance, financial performance and customer satisfaction. For the financial year 2022, the Remuneration Committee was of the view that performance conditions were met.

The Remuneration Committee ensures that the level and structure of remuneration are aligned with the risk policies and long-term interests of the Company.

Corporate Governance

The Non-Executive Independent Directors receive Directors' Fees. In determining the quantum of Directors' fees, factors such as effort and time spent serving on the Board and Board Committees, and responsibilities of the Directors are taken into account. The Remuneration Committee will ensure that Non-Executive Directors will not be overly compensated to the extent that their independence may be compromised.

The Executive Chairman does not receive a Director's fee. The Executive Chairman entered into a service agreement with the Company on 7 January 2004 for a period of three years, renewable automatically thereafter. The service agreement provides for termination by either the Executive Chairman or the Company upon giving no less than three months' notice. The Executive Chairman's compensation consists of his salary, bonus, share options granted and benefits.

The remuneration of non-executive Directors shall be determined by his/her contribution to the Company, taking into account factors such as efforts and time spent as well as his/her responsibilities on the Board. Generally, Directors who undertake additional duties as chairman and/or members of the Board Committees will receive higher fees because of their additional responsibilities. The Board will recommend the remuneration of the non-executive Directors for shareholders' approval at the AGM.

The Remuneration Committee, having assessed the risk associated with the Group's business model, and the variable components of the remuneration which are considered moderate, is of the view that at present there is no necessity for the Company to institute contractual provisions in the terms of employment to reclaim incentive components of remuneration paid in prior years.

Corporate Governance

Principle 8: Disclosure on Remuneration

Remuneration of Directors

The following table sets out the quantum of Directors' Remuneration for the year ended 31 December 2022, together with a breakdown (in percentage terms) of each Director's remuneration earned through base/fixed salary, variable or performance related income/bonuses, share options granted, and Director fees/ attendance fees proposed to be paid to each Director subject to the approval of shareholders at the AGM:

	Percentage (%)			Total (round off to nearest thousand dollars) S$'000
	Remuneration earned through:			
	Base / fixed salary	Variable or performance related income/ bonuses/ share options granted	Director Fees / Attendance Fees	
Wu Hsioh Kwang	100%	-	-	987
Li Weiqiang	-	-	100%	31
Chua Soh Har	-	-	100%	42
Tay Siew Choon	-	-	100%	79
Lim Song Joo	-	-	100%	64
Teo Ser Luck	-	-	100%	58
Hee Theng Fong	-	-	100%	58
Wu Xiuyi	100%	-	-	183
Wu Xiuzhuan	100%	-	-	166

Note: Base/fixed salary includes the 13th month payment or the annual wage supplement, fixed bonus and allowances. No variable or performance related bonus were paid to Mr. Wu Hsioh Kwang, Ms. Wu Xiuyi, and Mr. Wu Xiuzhuan in 2023 for the financial year ended 31 December 2022. Non-Executive and Independent Directors do not receive variable or performance related income/bonuses. No share options were granted in the financial year ended 31 December 2022, whether to Directors or other persons.

Corporate Governance

Remuneration of Immediate Family Members of Directors

Ms. Wu Xiuyi and Mr. Wu Xiuzhuan are the daughter and son of the Executive Chairman, Mr. Wu Hsioh Kwang and Non-Executive Director, Mdm. Chua Soh Har, and their respective remuneration for the year ended 31 December 2022 is disclosed in the table above. Save as disclosed, there is no other employee in the Group who is an immediate family member of a Director, the Chief Executive Officer or a substantial shareholder of the Company whose remuneration exceeds S$100,000 for the financial year ended 31 December 2022.

Remuneration of Key Executives

The total annual remuneration of the top five key management personnel, who are neither Directors, Alternate Directors, nor the Chief Executive Officer, for the financial year ended 31 December 2022 amounted to $1.19 million. The Board is of the view that it is in the best interests of the Company not to fully disclose each individual's remuneration, given the competitive business environment and possible negative impact on the Group's business.

The remuneration of three key executives fell within the remuneration band range of $250,000 and below, and the remuneration of two key executives fell within the remuneration band range of between $250,000 and $500,000. Given the sensitive nature of key management personnel remuneration, the names of these employees are not set out in this statement as per Provision 8.1 of the Code, in the interest of maintaining confidentiality of staff remuneration matters.

Executive Share Options

Share options are granted to align our employees' interest with that of shareholders' interest. The aggregate numbers of shares over which options may be granted shall not exceed 15% of the total issued shares (excluding treasury shares) of the Company on the date immediately preceding the date of grant. These options are granted with reference to the desired remuneration structure target and valued based on the Binomial model. Details of the share option scheme can be found in the "Directors' Statement" section and note 24(b) to the financial statements of this Annual Report.

No share options were granted for the year ended 31 December 2022.

No termination, retirement and post-employment benefit were granted to any Director, the Chief Executive Officer or any top five key management personnel for the year ended 31 December 2022.

Corporate Governance

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Board has ultimate responsibility for maintaining a sound system of internal controls to safeguard shareholders' investment and the Group's assets. The system of internal controls is intended to provide reasonable but not absolute assurance against material misstatement or loss, and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practices, and the identification and containment of business risk. The Board has overall responsibility for the governance of risk and maintains oversight of the key risks of the Group's business.

The Audit and Risk Committee assists the Board in overseeing risk governance in the Company to ensure that Management maintains an adequate and effective system of risk management and internal controls to safeguard shareholders' interest and the Company's assets. The Audit and Risk Committee's functions in this area include the following:

i) Review and report to the Board the risk profile or risk tolerance the Company undertakes to achieve its business goals and strategies;

ii) Review the risk management framework, policies, monitoring, measurements and reporting within the spectrum of Enterprise Risk Management of the Group;

iii) Review and report to the Board at least annually, on the adequacy and effectiveness of the Company's risk management and internal controls systems in addressing significant risks including financial, operational, compliance and information technology risks; and

iv) Make recommendations to the Board on the opinion and disclosure in the Annual Report on the adequacy and effectiveness of the Company's risk management and internal controls systems in accordance with the Listing Manual and the Code.

The Group has in place an enterprise risk management ("**ERM**") framework to provide the Board with a Group-wide view of the risks in the respective business units. The ERM framework enables the identification, assessment, management, and monitoring of key risks to the Group's business. As part of this framework, risk registers are set up to document the identified key material risks, mitigating controls and action plans. The risk registers are reviewed periodically to ensure the continuing relevance and adequacy of identified risks, and the effectiveness of mitigating controls.

In consultation with KPMG Services Pte Ltd, the Group has refreshed the risk profile to align with the Group latest corporate strategies and mission and vision. The key risks faced by the Group were documented together with the controls in place to manage and mitigate those risks, for the review by the Audit and Risk Committee and the Board annually. Risk workshops are carried out with the relevant entities and persons to identify, assess, and prioritise these risks. Mitigatory controls to manage the key risks, as well as action plans to address the gaps, are considered and duly documented in the risk registers.

For FY2022, the internal audit reports did not raise any high-risk observations.

Corporate Governance

A Whistle-Blowing policy is also in place to provide an avenue through which employees may report or communicate, in good faith and in confidence, any concerns relating to financial and other matters, so that independent investigation of such matters can be conducted and appropriate follow-up action taken. The Chairman of the Audit and Risk Committee is in charge of managing this area. The Whistle-Blowing Policy has been reviewed by the Audit and Risk Committee to ensure that it has been properly implemented.

The Whistle-Blowing procedure is intended to be used for serious and sensitive issues. Serious concerns relating to financial reporting, unethical or illegal conduct should be reported to the Chairman of the Audit and Risk Committee via a designated email. The action to be taken will depend on the nature of the concern. Initial inquiries will be made by the Chairman of the Audit and Risk Committee to determine whether an investigation is appropriate, and the form that it should take. Some concerns may be resolved by agreed action without the need for investigation. If investigation is necessary, the Audit and Risk Committee of the Company will direct an independent investigation to be conducted on complaint received. The Board of Directors will receive a report stating the details of the complaint received and the findings of the investigation, as well as a follow-up report on actions taken by the Audit and Risk Committee. The Company will update the complainant of the actions taken in respect of the complaint in two weeks. Subject to any legal constraints, the complainant will be notified about the outcome of any investigations.

The Company shall maintain the confidentiality of the whistle-blower(s) to the fullest extent reasonably practicable within the legitimate needs of the law and any ensuing evaluation or investigation. Complainant(s) who make a report in good faith will be protected from reprisals, victimization or harassment.

The Company regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as take appropriate measures to control and mitigate these risks. The Company reviews all significant control policies and procedures and highlights all significant matters to the Audit and Risk Committee and the Board. The risk issues are highlighted on pages 150 to 162 under note 28 to the financial statements.

The external auditors (PricewaterhouseCoopers LLP), in the course of conducting their annual audit procedures on the statutory financial statements, also reviewed the Group's significant internal financial controls to the extent of their scope of audit. Any material non-compliance and internal financial control weaknesses noted by the external auditors are reported to the Audit and Risk Committee together with the external auditors' recommendations. Management will then take appropriate actions to rectify the weaknesses highlighted.

The Audit and Risk Committee, in the course of their review of the reports presented by the internal auditors, Ernst & Young Advisory Pte Ltd and external auditors, PricewaterhouseCoopers LLP also review the adequacy and effectiveness of the Group's system of internal controls, including the financial, operational, compliance and information technology controls, and risk management systems.

At the financial year-end of 31 December 2022, the Chief Executive Officer and Chief Financial Officer provided a letter of assurance on the integrity of the financial records/statements to the Board. The Chief Executive Officer and other key management personnel also provided assurances regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

Corporate Governance

Such assurances included that:

(a) the financial records of the Group have been properly maintained and the financial statements for the financial year ended 31 December 2022 give a true and fair view of the Group's operations and finances;

(b) the Company's risk management systems and internal control systems were properly maintained;

(c) material information relating to the Company was disclosed on a timely basis for the purposes of preparing financial statements; and

(d) the Company's risk management systems and internal control systems (including financial, operational, compliance and information technology controls) were adequate and effective as at the end of the financial year.

Based on the external and internal auditors' findings, the Board with the concurrence of the Audit and Risk Committee is satisfied that the Group's risk management and internal controls systems, including financial, operational, compliance and information technology controls, are adequate and effective and provide reasonable (though not absolute) assurance against material financial misstatements and loss, and safeguard the Group's assets. The Board notes that the system of internal controls provides reasonable, but not absolute, assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives and is satisfied that the internal controls ensure the Group's maintenance of proper accounting records, compliance with applicable regulations and best practices, and timely identification and containment of financial, operational and compliance risks. The Audit and Risk Committee is also satisfied that there were no material weaknesses identified with regards to the risk management and internal control system.

Principle 10: Audit and Risk Committee

The Audit and Risk Committee comprises three Independent Non-Executive Directors, Mr. Lim Song Joo, Mr. Teo Ser Luck and Mr. Hee Theng Fong. Mr. Lim Song Joo is the Chairman of the Audit and Risk Committee.

The Board is satisfied that two of the Audit and Risk Committee members, including the Committee's chairman, have relevant accounting and related financial management expertise or experience and are appropriately qualified to discharge their responsibilities.

No former partner or director of the Company's existing auditing firm is a member of the Audit and Risk Committee.

Corporate Governance

The Audit and Risk Committee holds periodic meetings to perform the following functions:

(a) review with external auditors the audit plan, and the results of the external auditors' examination and evaluation of the Group's system of internal controls;

(b) review the financial statements and the external auditors' report on those financial statements, before submission to the Board for approval;

(c) review the level of co-operation of the Management with our external auditors and internal auditors;

(d) nominate the external auditors for appointment and re-appointment to the Board and approve the remuneration and terms of engagement of the external auditors;

(e) review internal audit reports and internal audit plans of the Group;

(f) review the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function;

(g) review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Listing Manual, and by such amendments made thereto from time to time; and

(h) review interested person transactions; and

(i) review the assurances from the CEO and CFO/other key management personnels on the Company's financial records and financial statements and risk management and internal control systems.

The Audit and Risk Committee has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management, full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

In addition to the above, the Audit and Risk Committee is empowered to commission and review the findings of internal investigations on matters involving or connected to any suspected fraud or irregularity, failure of internal controls or infringement of any Singapore law, rule or regulation which are or is likely to have a material impact on our Group's operating results and/or financial position.

Each member of the Audit and Risk Committee shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the Audit and Risk Committee in respect of matters in which he is interested.

The Audit and Risk Committee has discussed the key audit matters with the Management and the external auditors. The Audit and Risk Committee concurs with the basis and conclusions included in the external auditors' report with respect to the key audit matters. Please refer to pages 73 to 74 of this Annual Report for more information on the key audit matters.

Corporate Governance

The Audit and Risk Committee meets our external auditor and internal auditor separately without the presence of the Management at least once a year and reviews the assistance given by the Company's officers to the respective auditors.

Pursuant to Rules 1207(6)(b) and (6)(c) of the Listing Manual, the Audit and Risk Committee undertook a review of the independence and objectivity of the external auditors as well as the non-audit services provided by the incumbent external auditors, and the aggregate amount of audit fees paid to them. The fee payable to the external auditors for audit services for the financial year ended 31 December 2022 was $315,089. During the financial year ended 31 December 2022, the Group has engaged the external auditors to provide tax compliance and advisory services at an aggregate fee of $14,200. The Audit and Risk Committee is satisfied that neither their independence nor their objectivity is put at risk, and that they are still able to meet the audit requirements and statutory obligations of the Company. Accordingly, the Audit and Risk Committee has recommended the re-appointment of the external auditors at the forthcoming AGM of the Company. In recommending the re-appointment of the external auditors, the Audit and Risk Committee considered and reviewed a variety of factors including adequacy of resources, experience of supervisory and professional staff to be assigned to the audit, and size and complexity of the Group, its businesses and operations.

In appointing the external auditors of the Group, the Company has complied with the requirements of Rules 712 and 715 of the Listing Manual.

During the financial year, the Audit and Risk Committee has reviewed, with the Group's Chief Financial Officer and the external auditors, changes in accounting standards and issues which are relevant to the Group and have a direct impact on the Group's financial statements.

The Audit and Risk Committee's responsibility in overseeing the adequacy and effectiveness of the Company's risk management system and internal controls are adequate and effective is complemented by the internal auditor, whom the Company has appointed. The internal auditor has adopted the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The Audit and Risk Committee is satisfied that the internal audit function is staffed by suitably qualified and experienced professionals with relevant experience and adequately resourced and is independent and effective in carrying out its function.

The Audit and Risk Committee has the authority to hire, remove, evaluate and determine compensation of the internal audit firm.

The internal auditor will report directly to the Chairman of the Audit and Risk Committee on audit matters. The internal auditor will plan its audit work in consultation with, but independently of, the Management, and its yearly plan will be submitted to the Audit and Risk Committee for approval at the beginning of the year. The internal auditor will report to the Audit and Risk Committee regarding its findings. The Audit and Risk Committee will meet the internal auditor at least once a year, without the presence of the Management to review the assistance given by the Company's officers to the internal auditor. The internal auditor has full access to all the Company's documents, records, properties and personnel including access to the Audit and Risk Committee.

Corporate Governance

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 11: Shareholder Rights and Conduct of General Meetings
Principle 12: Engagement with Shareholders

We believe in regular and timely communication with shareholders as part of the Group's effort to help our shareholders understand our business better.

The Board is mindful of its obligations to provide timely and fair disclosure of material information in compliance with statutory reporting requirements. Price sensitive information is publicly released in a timely manner, either before the Company meets with any group of investors or analysts, or simultaneously with such meetings. the Company has adopted half yearly reporting as part of its commitment to maintaining regular communication with our shareholders and as required by the Code. Financial results and annual reports will be announced or issued within the mandatory periods.

In line with the continuous obligations of the Company pursuant to the Listing Manual and the Companies Act, the Board's policy is that all shareholders should be equally and timely informed of all major developments that impact on the Company or the Group. It is also the Board's policy that all corporate news, strategies and announcements are promptly disseminated through SGXNET, press releases as well as various media. The Company does not practice selective disclosure.

As a result of the amendments to Rule 705(2) of the Listing Manual of Singapore Exchange Securities Trading Limited, which took effect from 7 February 2020, the Company undertook half-yearly reporting, instead of quarterly reporting from 2020. Nonetheless, the Board continues to meet on a quarterly basis to be apprised of the operational and financial performance of the Company and to discuss and approve any matters as required. The Company will continue to provide updates in compliance with its continuing disclosure obligations, as and when appropriate.

To enhance and encourage communication with shareholders and investors, the Company has a dedicated email account, contact@stracocorp.com to which shareholders and investors may send their enquiries to the Company. Enquiries received from shareholders and investors are responded to by the Company's senior management.

The Company currently does not have an investor relations policy as correspondences with shareholders are relatively low in volume. However, the Board's policy is that all shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via the SGXNET on an immediate basis, in line with the Group's disclosure obligations pursuant to the Listing Manual and the Companies Act. There is no dedicated investor relations team in place as the Board is of the view that the current communication channels are sufficient and cost-effective.

The Company will assess the need to have a dedicated investor relations team as and when there is a substantial increase in correspondence with shareholders.

Corporate Governance

Shareholders are informed of all shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also published in the Business Times and posted onto the SGXNET. Shareholders are encouraged to attend all shareholders' meeting to facilitate a high level of accountability by the Company and for shareholders to stay informed of the Company's strategy and goals. The general meeting procedures provide the shareholders with opportunities to raise questions relating to each resolution tabled for approval. Shareholders are given the opportunity to participate in, engage in and openly communicate to the Directors their views on matters relating to the Company. Shareholders are also informed of the rules, including voting procedures, governing shareholders' meeting. All shareholders are entitled to vote in accordance with the established voting rules and procedures for the shareholders' meetings. Each share entitles its holder to one vote. An external firm is appointed as scrutineer for the voting process to count and validate votes placed by shareholders, and is independent of the firm appointed to manage the electronic poll voting process. The detailed results setting out the number of votes cast for and against each resolution and the respective percentages are announced via the SGXNET after the meeting.

The resolutions tabled at the general meetings each set out a substantially separate issue, and the election or re-election of each director is treated as a separate subject matter. All resolutions are voted upon separately at each general meeting. Detailed information on each item in the meeting agenda is provided in the explanatory notes to the notices.

All individual shareholders who are unable to attend and vote in person are entitled to appoint a proxy to attend and vote on their behalf. All shareholders are therefore given the opportunity to vote, either in person or by proxy at all shareholders' meetings. In addition, all relevant intermediaries as defined under Section 181 of the Companies Act are also given the opportunity to appoint one or more proxies to attend and vote at all general meetings. A relevant intermediary is defined as follows:-

1. a banking corporation defined under the Banking Act 1970 of Singapore, or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;

2. a capital market services license holder which provides custodial services for securities under the Securities and Futures Act and holds shares in that capacity; or

3. the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased on behalf of investor.

Pursuant to Rule 730A of the Listing Manual, all resolutions are put to a vote by poll at shareholders' meetings to ensure greater transparency in the voting process. The announcement of the results of shareholders' meetings includes a breakdown of the number of votes cast and the respective percentages for and against each resolution13.

The Directors, external auditors, Management and legal advisors (where necessary) are present at all shareholders' meetings to address shareholders' queries.

The Executive Chairman, all Directors, and the external auditor were present at the virtual AGM held on 27 April 2022 and will endeavour to be present at the forthcoming AGM to be held on 27 April 2023.

Corporate Governance

Minutes of shareholders' meeting include details of questions raised and the responses from the Company, and are kept as a permanent record. In addition, copies of the minutes of general meetings together with questions raised and answers thereto are posted on the SGXNET and the Company's official website.

The Company's dividend policy endeavours to balance dividend return to shareholders with the need for long-term sustainable growth whilst aiming for an efficient capital structure. The Company strives to provide shareholders with a consistent and sustainable ordinary dividend on an annual basis, based on cash position, working capital, expenditure plans, acquisition opportunities and market environment.

The Company declares dividends at each financial year-end. Payouts, if any, are communicated to shareholders via announcement on the SGXNET when the Company discloses its financial results.

The Board of Directors has proposed a final dividend of 1.0 Singapore cent per ordinary share for the financial year ended 31 December 2022 (FY2021: 1.0 Singapore cent per ordinary share).

MANAGING STAKEHOLDER RELATIONSHIPS

Principle 13: Engagement with Stakeholders

We strive to maintain open and fair communication with our key stakeholders, to understand their views, concerns, and objectives, as well as communicate expectations and improve shareholder engagement to achieve sustainable objectives. We have identified stakeholder groups which have a significant influence and interest in our operations and businesses, being the Board, employees, customers, local communities, investors and shareholders, and engage these stakeholders to understand their ESG expectations from time to time.

The Sustainability Report section of this Annual Report provides more details about the strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.

The Company maintains a current corporate website at www.stracocorp.com, and an email alert option is available to subscribers who wish to be notified of newly posted announcements, press releases, presentations and publications.

In this way, the Company endeavours to maintain good communication and engagement with all its material stakeholders.

Corporate Governance

DEALING IN SECURITIES

Directors and executives of the Group are not allowed to deal in the Company's securities during the period commencing one month before the announcement of the Company's half yearly and full year financial statements.

Internal guidelines applicable to all Directors and affected employees of the Group with regard to dealings in the shares of the Company have been adopted whereby such dealings are strictly prohibited during prescribed periods until the announcements of the relevant results are made. Directors and employees of the Group are also reminded to observe insider trading laws at all times even when dealing in securities within permitted trading periods. They are also discouraged from dealing in the Company's shares on short-term considerations.

INTERESTED PERSON TRANSACTIONS POLICY

The Company has adopted an internal policy in respect of any transactions with interested persons setting out the procedures for review and approval of the Company's interested person transactions.

Details of the Company's interested person transactions during the financial year ended 31 December 2022 are disclosed as follows:

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial year ended 31 December 2022 (excluding transactions less than S$100,000/- and transactions conducted under the shareholders' mandate pursuant to Rule 920) (S$'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)
Harry Elias Partnership LLP (formerly known as Eversheds Harry Elias LLP)	Mr. Hee Theng Fong, an independent director of the company, is a consultant in Harry Elias Partnership LLP	134	N.A. – the Company does not have a shareholders' mandate for interested person transactions

MATERIAL CONTRACTS

There were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the Chief Executive Officer, any Director or controlling shareholder, that were still subsisting at the end of the financial year ended 31 December 2022 or if not then subsisting, entered into since the end of the previous financial year ended 31 December 2021.

Financial Review

Directors' Statement

For the financial year ended 31 December 2022

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2022 and the statement of financial position of the Company as at 31 December 2022.

In the opinion of the directors,

(a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 78 to168 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Wu Hsioh Kwang
Li Weiqiang
Chua Soh Har
Tay Siew Choon
Lim Song Joo
Hee Theng Fong
Teo Ser Luck

Alternate Directors

Wu Xiuyi	(alternate Director to Wu Hsioh Kwang)
Wu Xiuzhuan	(alternate Director to Chua Soh Har)

Directors' Statement

For the financial year ended 31 December 2022

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options" in this statement.

Directors' interests in shares or debentures

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.12.2022	At 1.1.2022	**At 31.12.2022**	At 1.1.2022
Straco Corporation Limited (No. of ordinary shares)				
Wu Hsioh Kwang	**8,888,000**	8,888,000	**470,679,980**	470,679,980
Li Weiqiang	**330,000**	330,000	**-**	-
Chua Soh Har	**11,804,000**	11,804,000	**467,763,980**	467,763,980
Tay Siew Choon	**2,150,000**	2,150,000	**-**	-
Lim Song Joo	**1,224,000**	1,224,000	**-**	-
Wu Xiuyi (Alternate Director to Wu Hsioh Kwang)	**35,205,000**	35,205,000	**-**	-
Wu Xiuzhuan (Alternate Director to Chua Soh Har)	**27,656,000**	27,656,000	**-**	-

Directors' Statement

For the financial year ended 31 December 2022

Directors' interests in shares or debentures (continued)

(b) According to the register of directors' shareholdings, certain directors holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the Straco Share Option Scheme as set out below and under "Share options" below.

	No. of unissued ordinary shares under option	
	At 31.12.2022	At 1.1.2022
Name of Directors		
Wu Hsioh Kwang (also the controlling shareholder of the Company)	**1,400,000**	2,000,000
Li Weiqiang	**630,000**	860,000
Chua Soh Har	**630,000**	860,000
Tay Siew Choon	**630,000**	860,000
Lim Song Joo	**630,000**	860,000
Hee Theng Fong	**630,000**	860,000
	4,550,000	6,300,000
Alternate Directors and associates of controlling shareholder		
Wu Xiuyi	**1,110,000**	1,540,000
Wu Xiuzhuan	**1,110,000**	1,390,000
	2,220,000	2,930,000

(c) The directors' interests in the ordinary shares and convertible securities of the Company as at 21 January 2023 were the same as those as at 31 December 2022.

Directors' Statement

For the financial year ended 31 December 2022

Share options

(a) Straco Share Option Scheme

Description of the share option scheme can be found in Note 24(b) of the financial statements.

As at 31 December 2022, 29,450,000 (2021: 29,450,000) ordinary shares were allotted pursuant to options which had been exercised and a total of 1,920,000 (2021: 1,920,000) options had lapsed/expired under the 2004 Scheme. Options to subscribe for a total of 750,000 (2021: 750,000) options which have not yet been exercised remained outstanding.

As at 31 December 2022, 5,974,000 (2021: 5,974,000) ordinary shares were allotted pursuant to options which had been exercised and a total of 10,204,000 (2021: 7,744,000) options had lapsed/expired under the 2014 Scheme. Options to subscribe for a total of 21,160,000 (2021: 23,620,000) options which have not yet been exercised remained outstanding.

Details of the options granted to directors of the Company and controlling shareholder of the Company and his associates under the Schemes are as follows:

	No. of unissued ordinary shares of the Company under option			
Name of directors	Granted in financial year ended 31.12.2022	Aggregate granted since commencement of scheme to 31.12.2022	Aggregate exercised/ expired/ forfeited since commencement of scheme to 31.12.2022	Aggregate outstanding as at 31.12.2022
Wu Hsioh Kwang (also the controlling shareholder of the Company)	-	8,500,000	(7,100,000)	1,400,000
Li Weiqiang	-	1,718,000	(1,088,000)	630,000
Chua Soh Har	-	2,348,000	(1,718,000)	630,000
Tay Siew Choon	-	3,338,000	(2,708,000)	630,000
Lim Song Joo	-	2,348,000	(1,718,000)	630,000
Hee Theng Fong	-	860,000	(230,000)	630,000
	-	19,112,000	(14,562,000)	4,550,000
Alternate Directors and Associates of controlling shareholder				
Wu Xiuyi	-	4,624,000	(3,514,000)	1,110,000
Wu Xiuzhuan	-	2,730,000	(1,620,000)	1,110,000
	-	7,354,000	(5,134,000)	2,220,000

Directors' Statement

For the financial year ended 31 December 2022

Share options (continued)

(a) Straco Share Option Scheme (continued)

The aggregate number of shares over which options may be granted on any date, when added to the number of shares issued and issuable in respect of all options granted under the Scheme, shall not exceed 15% of the issued shares of the Company on the day preceding that date.

No participant under the Schemes has received 5% or more of the total number of shares under option available under the Schemes, during the financial year under review.

During the financial year, there was no exercise of share options and therefore no treasury shares were re-issued.

(b) Share options outstanding

The number of unissued ordinary shares of the Company under option in relation to the Schemes outstanding at the end of the financial year was as follows:

Date of grant of option	No. of unissued ordinary shares under option at 31.12.2022	Exercise price	Exercise period
		$	
2004 Scheme			
06/05/2013	750,000	0.311	07/05/2014 to 06/05/2023
2014 Scheme			
12/05/2014	1,580,000	0.630	13/05/2015 to 12/05/2024
12/05/2015	2,208,000	1.060	13/05/2016 to 12/05/2025
12/05/2016	2,220,000	0.790	13/05/2017 to 12/05/2026
11/05/2017	2,200,000	0.840	12/05/2018 to 11/05/2027
21/05/2018	2,610,000	0.780	22/05/2019 to 21/05/2023
21/05/2018	2,200,000	0.780	22/05/2019 to 21/05/2028
23/05/2019	2,260,000	0.780	24/05/2020 to 23/05/2024
23/05/2019	2,180,000	0.780	24/05/2020 to 23/05/2029
03/07/2020	1,900,000	0.510	04/07/2021 to 03/07/2025
03/07/2020	1,802,000	0.510	04/07/2021 to 03/07/2030
	21,910,000		

Directors' Statement

For the financial year ended 31 December 2022

Audit and Risk Committee

The members of the Audit and Risk Committee at the end of the financial year were as follows:

Lim Song Joo (Chairman)
Hee Theng Fong
Teo Ser Luck

All members of the Audit and Risk Committee were independent non-executive directors.

The Audit and Risk Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent and internal auditors;
- the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2022 before their submission to the Board of Directors; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit and Risk Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Directors' Statement

For the financial year ended 31 December 2022

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Wu Hsioh Kwang Director	Lim Song Joo Director

16 March 2023

Independent Auditor's Report

TO THE MEMBERS OF STRACO CORPORATION LIMITED

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Straco Corporation Limited ("the Company") and its subsidiaries ("the Group") and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:
- the consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2022;
- the consolidated statement of financial position of the Group as at 31 December 2022;
- the statement of financial position of the Company as at 31 December 2022;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Independent Auditor's Report

TO THE MEMBERS OF STRACO CORPORATION LIMITED

Our Audit Approach (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of property, plant and equipment, investment property and right-of-use assets	
As at 31 December 2022, the carrying value of property, plant and equipment and investment property, including right-of-use assets, amounted to $160.0 million and $18.3 million respectively. These assets are predominantly made up of land and buildings which the Group's key attractions operate on and the machinery and equipment which are used in the day-to-day business of the key attractions. Management considers individual components of each attraction as a separate cash-generating unit ("CGU") and has carried out impairment assessments on each of the components' carrying amounts to identify whether there are indicators for impairment. The recoverable amount is determined based on the higher of the CGU's value-in-use and fair value less costs of disposal. External valuation on components with impairment indicators are obtained from independent professional valuers when the internal assessments indicate impairment indicators. Based on the impairment assessments carried out by management and the report of the independent professional valuer as at 31 December 2022, a write-back of impairment loss on property, plant and equipment of $1.7 million was recognised and impairment loss on investment property of $0.3 million was charged against the consolidated statement of comprehensive income during the year ended 31 December 2022.	We focused our audit work on the underlying assumptions and factors used in the assessment performed by management and the independent external valuer. Our audit procedures included the following: • Assessing how management identified indicators for impairment; • Assessing external professional valuer's competence, capabilities and objectivity, and reading the valuation report prepared by the external valuer; • Assessing the appropriateness of methodologies used by external valuer; • For fair value less cost to sell, corroborated the inputs used by external valuer such as capitalisation rate and discount rate by comparing them against historical rates and available industry data, taking into consideration comparability and market factors; and • Assessing how the impact of the COVID-19 pandemic and market uncertainty has been considered by management and external valuer in determining the recoverable amounts of the assets. Based on our work and the evidence obtained, we found the significant judgements and estimates adopted by management in the fair value less cost to sell calculations supportable. In addition, we found that the external valuer is a member of a recognised professional body for external valuers and the valuation methodologies used were in line with the generally accepted market practices and the key assumptions used were within range of market data.

Independent Auditor's Report

TO THE MEMBERS OF STRACO CORPORATION LIMITED

Our Audit Approach (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of property, plant and equipment, investment property and right-of-use assets (continued)	
We focused on this area as the impairment assessment and valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The external valuation is highly sensitive to key assumptions applied in deriving the capitalisation rate and discount rate. Furthermore, the impact of Coronavirus Disease 2019 ("COVID-19") pandemic has resulted in market uncertainty and volatility. Due to the unknown future impact that COVID-19 might have on the tourism industry, certain external valuer has also recommended to keep the valuation of these assets under frequent review.	We also found the disclosure on the estimates used by management in performing the impairment assessment in Note 3 to be appropriate.
Useful lives of property, plant and equipment and investment property	
As at 31 December 2022, the carrying value of property, plant and equipment and investment property, excluding right-of-use ("ROU") assets, amounted to $124.1 million and $15.7 million (Note 16c). The Group reviews annually the estimated useful lives of property, plant and equipment and investment property, excluding ROU assets, based on factors that include: - Asset utilisation and visitorship to the attractions; - Technological changes and obsolescence; - Government regulations or re-designation of land space; and - Internal technical evaluation on safety and maintenance plans. We focused on the useful lives of property, plant and equipment and investment property, excluding ROU assets, due to their contribution to the statement of financial position and the subjectivity of the assessment whereby future results of operations could be materially affected by changes in these estimates arising from changes in factors above.	We focused our audit work on the underlying assumptions and factors used in the assessment performed by management, taking into consideration past utilisation of assets and future asset maintenance and investment plans. Our audit procedures included the following: • Obtained key contracts and agreements entered into for usage or lease of land space for the Group's key attractions; • Obtained evidence of annual renewal of operating permit granted by the authority; • Reviewed actual useful lives of fully depreciated assets which still remain in use; • Obtained and reviewed planned maintenance expenditure information; and • Considered other similar established industry practices. We found management's basis of estimating the useful lives to be appropriate. We also found the disclosure on the estimates of useful lives by management in the determination of useful lives of property, plant and equipment and investment property in Note 3 to be appropriate.

Independent Auditor's Report

TO THE MEMBERS OF STRACO CORPORATION LIMITED

Other Information

Management is responsible for the other information. The other information comprises all the sections of the annual report but does not include the financial statements and our auditor's report thereon. We obtained the other information (excluding Shareholding Statistics) prior to the date of this auditor's report. The Shareholding Statistics of the Annual Report ("Shareholding Statistics") is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Shareholding Statistics, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Independent Auditor's Report

TO THE MEMBERS OF STRACO CORPORATION LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report

TO THE MEMBERS OF STRACO CORPORATION LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lee Kok Hooi.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 16 March 2023

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2022

	Note	**2022** **$**	2021 $
Revenue	4	**28,191,745**	41,910,763
Other income	5	**5,308,735**	18,410,567
Expenses			
Depreciation and amortisation	6	**(9,626,364)**	(11,350,375)
Changes in inventories and purchases of goods		**(772,427)**	(729,009)
Professional and legal fees		**(647,952)**	(575,548)
Sales and marketing		**(782,410)**	(1,220,539)
Exchange (losses)/gains - net		**(5,370,826)**	2,062,276
Rental expenses	17(d)	**(672,395)**	(1,818,001)
Property and other taxes		**(619,769)**	(667,854)
Government grant expense – rent concessions		**-**	(82,810)
Repair and maintenance		**(3,740,503)**	(3,360,562)
Employee compensation	8	**(16,952,465)**	(17,035,068)
Utilities		**(2,721,932)**	(2,216,199)
Loss on disposal of property, plant and equipment		**(181,110)**	(20,049)
Impairment write-back/(loss) on property, plant and equipment	16	**1,700,000**	(1,700,000)
Impairment loss on investment property	15	**(300,000)**	(400,000)
Other expenses		**(2,736,955)**	(2,814,438)
Finance cost	7	**(1,661,914)**	(1,846,912)
(Loss)/profit before income tax		**(11,586,542)**	16,546,242
Income tax credit/(expense)	9(a)	**318,367**	(4,413,658)
Total (loss)/profit		**(11,268,175)**	12,132,584
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- (losses)/gains		**(10,170,040)**	6,553,391
Other comprehensive (loss)/income, net of tax		**(10,170,040)**	6,553,391
Total comprehensive (loss)/income		**(21,438,215)**	18,685,975

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2022

	Note	**2022**	2021
		$	$
(Loss)/profit attributable to:			
Equity holders of the Company		**(10,806,493)**	11,566,476
Non-controlling interests		**(461,682)**	566,108
		(11,268,175)	12,132,584
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		**(20,578,558)**	17,864,682
Non-controlling interests		**(859,657)**	821,293
		(21,438,215)	18,685,975
(Loss)/earnings per share for /(loss)/profit attributable to equity holders of the Company (cents per share)			
Basic (loss)/earnings per share	10	**(1.26)**	1.35
Diluted (loss)/earnings per share	10	**(1.26)**	1.35

The accompanying notes form an integral part of these financial statements.

Statement of Financial Position - Group

For the financial year ended 31 December 2022

	Note	2022 $	2021 $
ASSETS			
Current assets			
Cash and cash equivalents	11	**151,684,009**	178,493,838
Trade and other receivables	12	**5,480,906**	6,900,096
Inventories	13	**2,008,353**	2,236,030
		159,173,268	187,629,964
Non-current assets			
Investment property	15	**18,295,708**	19,481,509
Property, plant and equipment	16	**159,953,929**	168,311,488
Intangible assets and goodwill	19	**1,470,523**	1,484,041
		179,720,160	189,277,038
Total assets		**338,893,428**	376,907,002
LIABILITIES			
Current liabilities			
Trade and other payables	20	**8,029,148**	12,259,111
Current income tax liabilities	9(b)	**198,203**	220,899
Borrowings	21	**988,026**	968,478
Lease liabilities	17(e)	**1,197,515**	1,196,131
		10,412,892	14,644,619
Non-current liabilities			
Borrowings	21	**7,045,898**	7,633,923
Lease liabilities	17(e)	**39,742,360**	41,622,876
Deferred income		**168,027**	80,270
Deferred income tax liabilities	22	**16,584,533**	17,551,566
Provision for reinstatement cost	23	**5,626,892**	6,073,050
		69,167,710	72,961,685
Total liabilities		**79,580,602**	87,606,304
NET ASSETS		**259,312,826**	289,300,698
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	24	**76,985,514**	76,985,514
Other reserves	25	**11,616,465**	21,388,530
Retained profits		**161,248,847**	180,604,997
		249,850,826	278,979,041
Non-controlling interests	14	**9,462,000**	10,321,657
Total equity		**259,312,826**	289,300,698

The accompanying notes form an integral part of these financial statements.

Statement of Financial Position - Company

For the financial year ended 31 December 2022

	Note	2022 $	2021 $
ASSETS			
Current assets			
Cash and cash equivalents	11	**58,632,085**	69,358,425
Trade and other receivables	12	**758,877**	678,603
		59,390,962	70,037,028
Non-current assets			
Investments in subsidiaries	14	**76,070,954**	76,070,954
Property, plant and equipment	16	**1,791,591**	1,849,064
Loans and advances to subsidiaries		**40,250,000**	36,650,000
		118,112,545	114,570,018
Total assets		**177,503,507**	184,607,046
LIABILITIES			
Current liabilities			
Trade and other payables	20	**955,542**	1,046,913
Current income tax liabilities	9(b)	**219,864**	157,260
Total liabilities		**1,175,406**	1,204,173
NET ASSETS		**176,328,101**	183,402,873
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	24	**76,985,514**	76,985,514
Other reserves	25	**1,203,821**	1,203,821
Retained profits		**98,138,766**	105,213,538
Total equity		**176,328,101**	183,402,873

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2022

	Note	Share capital	Treasury shares	Share option reserve	General reserve	Currency translation reserve	Capital reserve	Retained profits	Total	Non-controlling interests	Total equity
		← Attributable to equity holders of the Company							→		
		$	$	$	$	$	$	$	$	$	$
At 1 January 2022		**76,985,514**	**(7,579,613)**	**10,011,691**	**16,770,833**	**3,413,876**	**(1,228,257)**	**180,604,997**	**278,979,041**	**10,321,657**	**289,300,698**
Profit for the year		-	-	-	-	-	-	(10,806,493)	(10,806,493)	(461,682)	(11,268,175)
Other comprehensive loss for the year		-	-	-	-	(9,772,065)	-	-	(9,772,065)	(397,975)	(10,170,040)
Total comprehensive loss for the year		**-**	**-**	**-**	**-**	**(9,772,065)**	**-**	**(10,806,493)**	**(20,578,558)**	**(859,657)**	**(21,438,215)**
Dividend to non-controlling shareholders of subsidiaries			-	-	-	-	-	-	-	-	-
Dividend relating to 2021 paid	26	-	-	-	-	-	-	(8,549,657)	(8,549,657)	-	(8,549,657)
Treasury shares purchased	24(a)	-	-	-	-	-	-	-	-	-	-
Share-based payment transactions	8	-	-	-	-	-	-	-	-	-	-
Transfer to general reserve fund		-	-	-	-	-	-	-	-	-	-
Total transactions with owners, recognised directly in equity		**-**	**-**	**-**	**-**	**-**	**-**	**(8,549,657)**	**(8,549,657)**	**-**	**(8,549,657)**
At 31 December 2022		**76,985,514**	**(7,579,613)**	**10,011,691**	**16,770,833**	**(6,358,189)**	**(1,228,257)**	**161,248,847**	**249,850,826**	**9,462,000**	**259,312,826**

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2022

		Attributable to equity holders of the Company									
	Note	Share capital	Treasury shares	Share option reserve	General reserve	Currency translation reserve	Capital reserve	Retained profits	Total	Non-controlling interests	Total equity
		$	$	$	$	$	$	$	$	$	$
At 1 January 2021		**76,985,514**	**(7,506,642)**	**9,808,916**	**16,638,165**	**(2,884,330)**	**(1,228,257)**	**177,722,146**	**269,535,512**	**11,468,908**	**281,004,420**
Profit for the year		-	-	-	-	-	-	11,566,476	11,566,476	566,108	12,132,584
Other comprehensive income for the year		-	-	-	-	6,298,206	-	-	6,298,206	255,185	6,553,391
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**6,298,206**	**-**	**11,566,476**	**17,864,682**	**821,293**	**18,685,975**
Dividend to non-controlling shareholders of subsidiaries		-	-	-	-	-	-	-	-	(1,968,544)	(1,968,544)
Dividend relating to 2020 paid	26	-	-	-	-	-	-	(8,550,957)	(8,550,957)	-	(8,550,957)
Treasury shares purchased	24(a)	-	(72,971)	-	-	-	-	-	(72,971)	-	(72,971)
Share-based payment transactions	8	-	-	202,775	-	-	-	-	202,775	-	202,775
Transfer to general reserve fund		-	-	-	132,668	-	-	(132,668)	-	-	-
Total transactions with owners, recognised directly in equity		**-**	**(72,971)**	**202,775**	**132,668**	**-**	**-**	**(8,683,625)**	**(8,421,153)**	**(1,968,544)**	**(10,389,697)**
At 31 December 2021		**76,985,514**	**(7,579,613)**	**10,011,691**	**16,770,833**	**3,413,876**	**(1,228,257)**	**180,604,997**	**278,979,041**	**10,321,657**	**289,300,698**

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2022

	Note	2022	2021
		$	$
Cash flows from operating activities			
Total (loss)/profit		**(11,268,175)**	12,132,584
Adjustments for:			
- Income tax expense	9	**(318,367)**	4,413,658
- Depreciation of property, plant and equipment	6	**8,827,785**	10,553,211
- Depreciation of investment property	6	**790,420**	788,825
- Amortisation of intangible assets	6	**8,159**	8,339
- Equity-settled shared-based payment transactions		**-**	202,775
- Amortisation of government grants		**(69,792)**	(85,428)
- Loss on disposal of property, plant and equipment		**181,110**	20,049
- Impairment (write-back)/loss on property, plant and equipment	16	**(1,700,000)**	1,700,000
- Impairment loss on investment property	15	**300,000**	400,000
- Interest income	5	**(4,186,898)**	(4,400,892)
- Interest expenses	7	**1,661,914**	1,846,912
- Unrealised currency translation losses/(gains)		**5,399,032**	(2,046,980)
		(374,812)	25,533,053
Change in working capital			
- Inventories		**128,746**	20,296
- Trade and other receivables		**1,601,344**	(1,873,643)
- Trade and other payables		**(3,665,455)**	3,743,396
Cash (used in)/generated from operations		**(2,310,177)**	27,423,102
Income tax paid		**(675,361)**	(7,156,600)
Net cash (used in)/provided by operating activities		**(2,985,538)**	20,266,502
Cash flows from investing activities			
Additions to property, plant and equipment		**(2,557,241)**	(4,063,488)
Proceeds from disposal of property, plant and equipment		**1,944**	660
Interest received		**3,726,144**	4,389,691
Net cash provided by investing activities		**1,170,847**	326,863

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2022

	Note	2022 $	2021 $
Cash flows from financing activities			
Proceeds from borrowings		**400,000**	6,100,000
Repurchase of own shares		**-**	(72,971)
Repayment of borrowings		**(968,477)**	(20,397,599)
Principal payment of lease liabilities		**(1,181,889)**	(1,233,763)
Interest paid on lease liabilities		**(1,443,625)**	(1,720,271)
Interest paid on borrowings		**(83,190)**	(238,168)
Dividends paid to equity holders of the Company		**(8,549,657)**	(8,550,957)
Dividends paid to non-controlling interests		**-**	(1,968,544)
Net cash used in financing activities		**(11,826,838)**	(28,082,273)
Net decrease in cash and cash equivalents		**(13,641,529)**	(7,488,908)
Cash and cash equivalents			
Beginning of financial year	11	**177,493,838**	177,670,523
Effects of currency translation on cash and cash equivalents		**(13,168,300)**	7,312,223
End of financial year	11	**150,684,009**	177,493,838

Reconciliation of liabilities arising from financing activities

		Non-cash changes					
	1 January $	**Effects of foreign currency translation $**	**Additions $**	**Derecognition $**	**Interest expense $**	**Cash flows $**	**31 December $**
Group							
2022							
Borrowings	8,602,401	-	-	-	-	(568,477)	8,033,924
Interest payable	-	-	-	-	83,190	(83,190)	-
Lease liabilities	42,819,007	(742,366)	55,588	(10,465)	1,443,625	(2,625,514)	40,939,875
2021							
Borrowings	22,900,000	-	-	-	-	(14,297,599)	8,602,401
Interest payable	8,634	-	-	-	229,534	(238,168)	-
Lease liabilities	43,886,405	386,544	8,236	(612)	1,492,468	(2,954,034)	42,819,007

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2022

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General 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. Significant accounting policies

2.1 Basis of preparation

These financial statements are prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2022

On 1 January 2022, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. 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) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

2.2 Revenue

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Sale of tickets

Revenue from the sale of admission tickets is recognised when the tickets are utilised. Tickets sold are non-refundable.

(b) Sale of goods

Revenue from the sale of goods such as retail, food and beverages and others, is recognised when the Group has delivered the products to the customers, the customer has accepted the products and collectability of the related receivables is reasonably assured.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

(d) Rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

(e) Deferred revenue

Sales of pre-sold tickets and annual passes are contract liabilities that are recognised and presented under "Trade and other payables" (Note 20). Pre-sold tickets are recognised as revenue when utilised and annual passes are recognised as revenue on a straight-line basis over the validity of the annual passes. Unutilised amounts are recognised as revenue upon expiry.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

2.3 Government grants

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received, and the Group will comply with all the attached conditions. Government grants are shown separately as other income.

Income related grants are recognised in profit or loss over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

Assets-related grants are accounted for as deferred income on the statement of financial position and recognised in profit or loss on a systematic and rational basis over the useful lives of the assets.

2.4 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, intercompany transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

2.4 Group accounting (continued)

(a) *Subsidiaries* (continued)

(ii) *Acquisitions*

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill on acquisitions" (Note 2.6(a)) for the subsequent accounting policy on goodwill.

(iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary result in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries" (Note 2.9) for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

2.4 Group accounting (continued)

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

2.5 Property, plant and equipment

(a) Measurement

All items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs. The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purposes other than to produce inventories.

(b) Depreciation

Depreciation on items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold land	Shorter of lease term or 50 years
Leasehold buildings	20 to 50 years
Leasehold improvements	10 years
Cable car equipment	10 to 20 years
Giant observation wheel	5 to 35 years and 7 months
Office equipment, furniture and fittings	3 to 5 years
Motor vehicles	5 to 8 years
Machinery	3 to 20 years
Fishes and marine livestock	5 years

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

2.5 Property, plant and equipment (continued)

(b) Depreciation (continued)

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

No depreciation is provided on construction in progress.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within “Loss on disposal of property, plant and equipment”.

2.6 Intangible assets

(a) Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the entity sold.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

2.6 Intangible assets (continued)

(b) Logo and trademark

Logo and trademark that arise from the acquisition of the Singapore Flyer are initially recognised at fair value and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives, from the date on which they are available for use. The estimated useful lives are as follows:

	Useful lives
Logo and trademark	5 to 10 years

2.7 Finance income and finance costs

Finance income comprises interest income on bank balances. Interest income is recognised as it accrues, using the effective interest method. Finance income is included in other income.

Finance costs comprise interest expenses on lease liabilities, loans and borrowings and reinstatement costs.

2.8 Investment property

Investment property comprises property that is held for long-term rental yields and/or for capital appreciation.

Investment property is initially recognised at fair value from the acquisition through business combination and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amount over the estimated useful life of 35 years 7 months, representing the remaining lease term from the date of acquisition.

Investment property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

The residual values, useful lives and depreciation method of investment property are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are included in profit or loss when the changes arise.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

2.9 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.10 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Intangible assets
Property, plant and equipment
Right-of-use assets
Investment property
Investments in subsidiaries

Intangible assets, property, plant and equipment, right-of-use assets, investment property and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

2.10 Impairment of non-financial assets (continued)

(b) *Intangible assets*
Property, plant and equipment
Right-of-use assets
Investment property
Investments in subsidiaries (continued)

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A write-back of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such write-back is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a write-back of that impairment is also recognised in profit or loss.

2.11 Financial assets

(a) *Classification and measurement*

The Group classifies its financial assets in the following measurement category:

- Amortised cost

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(a) Classification and measurement (continued)

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables.

The subsequent measurement category is depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 28(b) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

2.12 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.13 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-Group transactions are eliminated on consolidation.

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

(a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(b) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

2.14 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

2.15 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.16 Leases

(a) When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

  The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

  These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

  Right-of-use assets (except for those which meets the definition of an investment property) are presented within “Property, plant and equipment”.

  Right-of-use asset which meets the definition of an investment property is presented within “Investment property” and accounted for in accordance with Note 2.8.

- Lease liabilities

  The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

2.16 Leases (continued)

(a) *When the Group is the lessee* (continued)

- Lease liabilities (continued)

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

2.16 Leases (continued)

(a) When the Group is the lessee (continued)

- Short term and low value leases

  The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

- Variable lease payments

  Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments. Details of the variable lease payments are disclosed in Note 17.

(b) When the Group is the lessor

The Group leases its investment property under operating leases to non-related parties.

- *Lessor – Operating leases*

  Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

  Rental due but unpaid is presented under "Trade and other receivables". The Group has provided rent concessions to its tenants by waiving contractual past due rent which is accounted for as a forgiveness of rental receivables. Refer to Note 2.11(c) for the accounting policy for derecognition of financial assets.

  Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

  Contingent rents are recognised as income in profit or loss when earned.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

2.16 Leases (continued)

(b) *When the Group is the lessor* (continued)

- *Lessor – Subleases*

  In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

  When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease under "Trade and other receivables". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

  When the sublease is assessed as an operating lease, the Group recognise lease income from sublease in profit or loss within "Other income". The right-of-use asset relating to the head lease is not derecognised.

  For contract which contains lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

2.17 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.18 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

2.18 Income taxes (continued)

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and unutilised capital allowances, tax losses and donations can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities except for investment property. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.19 Provisions

Provisions for reinstatement costs are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

2.19 Provisions (continued)

The Group recognises the estimated liability with a corresponding recognition in property, plant and equipment and investment property at the reporting date. The provision is measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.20 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund and the People's Republic of China ("PRC") provincial and municipal governments, on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an employee expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date.

At each reporting date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees.

(c) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

2.20 Employee compensation (continued)

(d) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.21 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses impacting profit or loss are presented in the statement of comprehensive income within "exchange (losses)/ gains - net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

2.21 Currency translation (continued)

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.22 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Executive Chairman ("EC") to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the EC include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

Notes to the Financial Statements

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

2.23 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, balances and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents. Pledged deposits are excluded from cash and cash equivalents.

2.24 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to an employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

2.25 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

Notes to the Financial Statements

For the financial year ended 31 December 2022

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impairment of investment property, property, plant and equipment and right-of-use assets

The Group assesses at each balance sheet date whether there are any indicators of impairment for investment property, property, plant and equipment and right-of-use assets.

The Group considers individual component of each attraction as a separate cash-generating unit ("CGU") and has carried out assessments on each of the components' carrying amounts to identify whether there are indicators for impairment. The recoverable amount is determined based on the higher of the CGU's value-in-use and fair value less costs of disposal. External valuation on components with impairment indicators are obtained from independent professional valuers when the internal assessments indicate impairment indicators.

Due to the unknown future impact that COVID-19 might have on the tourism industry, the external valuer has also recommended to keep the valuation of these assets under frequent review.

The carrying amounts of investment property (inclusive of impairment loss recognised), property, plant and equipment (inclusive of impairment loss recognised) and right-of-use assets are disclosed in Notes 15, 16 and 17 respectively.

For the financial year ended 31 December 2022, the Group has recognised a write-back of impairment on property, plant and equipment of $1,700,000 and an impairment loss on investment property of $300,000. The recoverable amounts were assessed based on fair value less cost to sell provided by the external valuer.

The valuation process which identifies whether the carrying values of investment property, property, plant and equipment and right-of-use assets are impaired involves significant judgement in determining an appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The external valuations are highly sensitive to key assumptions applied in deriving the capitalisation rate and discount rate, as disclosed in Notes 15 and 16. If the fair values per the valuation report were to increase/decrease by 3%, there will not be a change to the amount of write-back of impairment on property, plant and equipment and the impairment loss on investment property will be decreased/increased by $500,000.

Notes to the Financial Statements

For the financial year ended 31 December 2022

3. Critical accounting estimates, assumptions and judgements (continued)

Useful lives of investment property and property, plant and equipment

Estimation of useful life of investment property

As at 31 December 2022, the carrying amount of investment property excluding right-of-use assets is $15.7 million. Included in the carrying amount of investment property of S$18.3 million (Note 15) is right-of-use assets of $2.6 million (Note 17).

The cost of investment property is depreciated on a straight-line basis over its useful life. Management estimates the useful life of the investment property to be 35 years 7 months. The Group reviews annually the estimated useful life of investment property based on the factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the asset. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned. A reduction in the estimated useful life of investment property would increase depreciation expense and decrease investment property.

The carrying amounts of investment property are disclosed in Note 15.

Estimation of useful lives of property, plant and equipment

As at 31 December 2022, the carrying amount of property, plant and equipment excluding right-of-use assets is $124.1 million. Included in the carrying amount of property, plant, and equipment of $160.0 million (Note 16) is right-of-use assets of $35.9 million (Note 17).

The costs of property, plant and equipment are depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of these property, plant and equipment in Note 2.5. The Group reviews annually the estimated useful lives of property, plant and equipment based on the factors that include asset utilisation, technological changes, environmental and anticipated use of the assets, and internal technical evaluation. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned. A reduction in the estimated useful lives of property, plant and equipment would increase depreciation expense and decrease property, plant and equipment.

The carrying amounts of property, plant and equipment are disclosed in Note 16.

Notes to the Financial Statements

For the financial year ended 31 December 2022

3. Critical accounting estimates, assumptions and judgements (continued)

Lease liabilities

Estimation of discount rate for lease liabilities

The discount rate used in the calculation of the lease liabilities are based on estimates of incremental borrowing cost. These estimates of incremental borrowing costs are mainly dependent on the territory of the relevant lease, and hence the currency used, and the lease term.

For the financial year ended 31 December 2022, there were no material additions of new leases.

Critical judgement over the lease terms

As at 31 December 2022, the Group's lease liabilities, which are measured with reference to an estimate of the lease term, amounted to $40,939,875 of which $21,814,456 arose from extension options. Extension options are included in the lease term if the lease is reasonably certain to be extended. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the extension option.

For leases of office space and land, the following factors are considered to be most relevant:

- If any leasehold improvements are expected to have a significant remaining value, the Group typically includes the extension option in lease liabilities;
- If the land is located in strategic locations that will contribute to the continued profitability of the related operating segments, the Group typically includes the extension option in lease liabilities;
- Otherwise, the Group considers other factors including its historical lease periods for similar assets, costs required to obtain replacement assets, and business disruptions.

The assessment of reasonable certainty to exercise extension options is only revised if a significant change in circumstances occurs which affects this assessment, and that is within the control of the lessee. During the current financial year, there was no revision to lease terms to reflect the effect of exercising extension options.

Notes to the Financial Statements

For the financial year ended 31 December 2022

4. Revenue

		Group	
		2022	2021
		$	$
Revenue from contracts with customers	(a)	**27,595,193**	41,467,255
Rental from leases under investment property (Note 15)		**596,552**	443,508
		28,191,745	41,910,763

(a) Disaggregation of revenue from contracts with customers

	Group	
	2022	2021
	$	$
Ticketing	**24,798,625**	38,820,335
Retail	**1,179,228**	1,663,799
Food and beverages	**1,023,603**	694,464
Others	**593,737**	288,657
	27,595,193	41,467,255

All the revenue from contracts with customers are recognised at a point in time.

Notes to the Financial Statements

For the financial year ended 31 December 2022

4. Revenue (continued)

(b) Deferred revenue

	Group		
	31 December		1 January
	2022	2021	2021
	$	$	$
Deferred revenue (Note 20)	**1,332,693**	3,801,243	1,050,643

Revenue recognised in relation to deferred revenue

	Group	
	2022	2021
	$	$
Revenue recognised in current period that was included in the deferred revenue balance at the beginning of the period	**3,793,079**	1,045,193

The deferred revenue relates to consideration received from customers for the unsatisfied performance obligation in pre-sale ticket, corporate memberships, and rental income. Revenue will be recognised upon the redemption of the tickets by customers. The decrease in deferred revenue is due to the redemption of the SingapoRediscovers Vouchers.

(c) Trade receivables from contracts with customers

	Group			Company		
	31 December		1 January	**31 December**		1 January
	2022	2021	2021	**2022**	2021	2021
	$	$	$	**$**	$	$
Current assets						
Trade receivables and retention receivables from contracts with customers (Note 12)	**295,041**	2,571,012	584,746	**-**	-	-

Notes to the Financial Statements

For the financial year ended 31 December 2022

5. Other income

	Group	
	2022	2021
	$	$
Interest income	**4,186,898**	4,400,892
Government grants (a)	**585,529**	2,508,941
Rental income from sales counters	**317,971**	670,759
Miscellaneous (b)	**218,337**	10,829,975
	5,308,735	18,410,567

a. Included in the Group's government grants are:

(i) Grant income of $59,319 (2021: $1,246,633) relating to the Jobs Support Scheme (the "JSS"). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees; and

(ii) Grant income of $Nil (2021: $608,445) relating to rental support received from the Singapore Government as part of the support measures to help businesses during the Phase 2 (Heightened Alert) in 2021. For part of the rental support received, the Group is obliged to pass on the benefits to its qualifying sub-tenants.

Grant expense relating to rental support that was transferred to tenants in the form of rent rebates and rental waivers provided to eligible tenants as part of the qualifying conditions of the grant are presented as "Government grant expense – rent concessions" under the "Consolidated Statement of Comprehensive Income".

(iii) Grant income of $245,015 (2021: $401,919) relating to wage support scheme from the Singapore Tourism Board in connection with the completion of training and business transformation project.

b. Included in the Group's miscellaneous income is $Nil (2021: $ 10,433,085) of insurance claims which were awarded to the Group in relation to loss of profits and property damage arising from machinery breakdown in 2018.

Notes to the Financial Statements

For the financial year ended 31 December 2022

6. Depreciation and amortisation

	Group 2022 $	Group 2021 $
Amortisation of intangible assets (Note 19)	**8,159**	8,339
Depreciation of property, plant and equipment (Note 16)	**8,827,785**	10,553,211
Depreciation of investment property (Note 15)	**790,420**	788,825
Total depreciation and amortisation	**9,626,364**	11,350,375

7. Finance cost

	Group 2022 $	Group 2021 $
Interest expense		
- Bank borrowings	**83,190**	229,534
- Lease liabilities (Note 17(c))	**1,443,625**	1,492,468
Finance cost on reinstatement (Note 23)	**135,099**	124,910
	1,661,914	1,846,912

8. Employee compensation

	Group 2022 $	Group 2021 $
Wages and salaries	**13,569,662**	13,395,209
Employer's contribution to defined contribution plans	**2,665,910**	2,708,395
Other staff benefits	**716,893**	728,689
Share option expense (Note 24(b))	**-**	202,775
	16,952,465	17,035,068

Notes to the Financial Statements

For the financial year ended 31 December 2022

9. Income taxes

(a) Income tax (credit)/expense

	Group	
	2022	2021
	$	$
Tax (credit)/ expense attributable to profit is made out of:		
- Taxation for current financial year:		
Current income tax		
- Singapore	**264,005**	229,289
- Foreign	**371,189**	5,438,125
	635,194	5,667,414
Deferred income tax (Note 22)	**(1,095,433)**	(1,872,317)
Withholding tax	**-**	666,629
	(460,239)	4,461,726
- Under/(over) provision in prior financial years:		
Current income tax	**14,908**	27,001
Withholding tax	**(1,436)**	-
Deferred income tax (Note 22)	**128,400**	(75,069)
	141,872	(48,068)
Total tax (credit)/expense	**(318,367)**	4,413,658

Notes to the Financial Statements

For the financial year ended 31 December 2022

9. **Income taxes** (continued)

(a) Income tax expense (continued)

The tax on the Group's profit/(loss) before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2022	2021
	$	$
(Loss)/profit before tax	**(11,586,542)**	16,546,242
Tax calculated at tax rate of 17% (2021: 17%)	**(1,969,712)**	2,812,861
Effects of:		
- different tax rates in other countries	**(170,636)**	1,234,161
- tax incentives	**(34,981)**	(74,258)
- expenses not deductible for tax purposes	**1,235,772**	376,218
- income not subject to tax	**(63,346)**	(633,711)
- deferred tax assets not recognised	**427,044**	-
- utilisation of previously unrecognised capital allowances	**-**	(740)
- under/(over) provision of tax in prior financial years	**141,872**	(48,068)
- withholding tax	**-**	666,629
- others	**115,620**	80,566
Tax (credit)/charge	**(318,367)**	4,413,658

Notes to the Financial Statements

For the financial year ended 31 December 2022

9. **Income taxes** (continued)

(b) Movement in current income tax liabilities

	Group		Company	
	2022	2021	**2022**	2021
	$	$	**$**	$
Beginning of financial year	**220,899**	993,240	**157,260**	170,583
Currency translation differences	**3,999**	23,215	**-**	-
Income tax paid - net	**(305,608)**	(4,922,294)	**(158,111)**	(170,583)
Withholding tax paid	**(369,753)**	(2,234,306)	**-**	(1,870,118)
Tax expense	**635,194**	6,334,043	**219,864**	2,027,378
Under provision in prior financial years	**13,472**	27,001	**851**	-
End of financial year	**198,203**	220,899	**219,864**	157,260

10. **Earnings per share**

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the net (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	2022	2021
Net (loss)/profit attributable to equity holders of the Company ($)	**(10,806,493)**	11,566,476
Weighted average number of ordinary shares outstanding for basic (loss)/profit per share	**854,965,680**	855,022,036
Basic (loss)/earnings per share (cents per share)	**(1.26)**	1.35

Notes to the Financial Statements

For the financial year ended 31 December 2022

10. Earnings per share (continued)

(b) Diluted (loss)/earnings per share

For the purpose of calculating diluted (loss)/earnings per share, (loss)/profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares, which comprises share options granted to employees.

For share options, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net (loss)/profit.

Diluted (loss)/earnings per share attributable to equity holders of the Company is calculated as follows:

	2022	2021
Net (loss)/profit used to determine diluted earnings per share ($)	**(10,806,493)**	11,566,476
Weighted average number of ordinary shares outstanding for basic (loss)/earnings per share	**854,965,680**	855,022,036
Adjustments for		
- Share options	**186,594**	307,652
	855,152,274	855,329,688
Diluted (loss)/earnings per share (cents per share)	**(1.26)**	1.35

Notes to the Financial Statements

For the financial year ended 31 December 2022

11. Cash and cash equivalents

	Group		Company	
	2022	2021	**2022**	2021
	$	$	**$**	$
Cash at bank and on hand	**7,340,055**	11,762,630	**559,393**	872,074
Short-term bank deposits	**144,343,954**	166,731,208	**58,072,692**	68,486,351
	151,684,009	178,493,838	**58,632,085**	69,358,425

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2022	2021
	$	$
Cash and bank balances (as above)	**151,684,009**	178,493,838
Less: Bank deposits pledged	**(1,000,000)**	(1,000,000)
Cash and cash equivalents per consolidated statement of cash flows	**150,684,009**	177,493,838

Bank deposits are pledged as security for the banker's guarantee on the lease of land on which the investment property (Note 15) and property, plant and equipment (Note 16) are situated.

The weighted average effective interest rates relating to fixed deposits of the Group and the Company are 2.69% (2021: 2.61%) and 2.38% (2021: 1.90%), respectively. Interest rates reprice at intervals of between 1 week and 36 months.

Notes to the Financial Statements

For the financial year ended 31 December 2022

12. Trade and other receivables

	Group		Company	
	2022	2021	**2022**	2021
	$	$	**$**	$
Trade receivables				
- Amounts due from non-related parties	**295,041**	2,571,012	**-**	-
	295,041	2,571,012	**-**	-
Non-trade receivables				
- Amounts due from subsidiaries	**-**	-	**416,597**	417,711
- Interest receivables	**2,912,374**	2,706,173	**311,730**	229,314
- Other receivables	**96,920**	152,874	**-**	-
- Deposits	**272,610**	93,296	**2,147**	2,147
	3,281,904	2,952,343	**730,474**	649,172
Other tax receivables	**247,366**	132,251	**-**	-
Prepayments	**1,009,661**	611,268	**28,403**	29,431
Government grant receivable	**646,934**	633,222	**-**	-
	5,480,906	6,900,096	**758,877**	678,603

The non-trade amounts due from subsidiaries were unsecured, interest-free and repayable on demand.

The carrying amount approximates fair value.

Notes to the Financial Statements

For the financial year ended 31 December 2022

13. Inventories

	Group 2022 $	Group 2021 $
Consumables	**2,008,353**	2,236,030

The cost of inventories recognised as an expense and included in "Changes in inventories and purchases of goods" amounted to $772,427 (2021: $729,009).

14. Investments in subsidiaries

	Company 2022 $	Company 2021 $
Equity investments at cost		
Beginning and end of financial year	**76,070,954**	76,070,954

The Group had the following subsidiaries as at 31 December 2022 and 2021:

Group and Company

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2022 %	2021 %	**2022 %**	2021 %	**2022 %**	2021 %
Infotainment Development & Management Pte Ltd	Provision of management and consulting services and overall project management to the Group and third parties	Singapore	100	100	100	100	-	-
Straco Creation Pte Ltd	Dormant	Singapore	-	-	100	100	-	-

Notes to the Financial Statements

For the financial year ended 31 December 2022

14. Investments in subsidiaries (continued)

Group and Company (continued)

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2022 %	2021 %	**2022 %**	2021 %	**2022 %**	2021 %
New Bay Holdings Pte Ltd	Investment holding	Singapore	100	100	100	100	-	-
Underwater World Xiamen Co Ltd[2]	Operation of aquatic-related facilities and performance	People's Republic of China ("PRC")	-	-	100	100	-	-
Lintong Lixing Cable Car Co Ltd[1]	Operation of cable car facilities	PRC	95	95	95	95	5	5
Shanghai Ocean Aquarium Co Ltd[1]	Development and operation of aquatic-related facilities	PRC	95	95	95	95	5	5
Xi'an Lintong Zhongxin Tourism Development Co Ltd[1]	Development and operation of tourism-related facilities	PRC	95	95	95	95	5	5
Bay Attractions Pte Ltd	Investment holding	Singapore	100	100	100	100	-	-
Straco Leisure Pte Ltd	Operation of a circular giant observation structure and provision of retail space	Singapore	-	-	90	90	10	10

[1] Audited by PricewaterhouseCoopers Zhong Tian LLP, PRC
[2] Audited by Xiamen Liangbang Certified Public Accountants Co. Ltd and audited by PricewaterhouseCoopers Zhong Tian LLP, PRC for consolidation purposes.

PricewaterhouseCoopers LLP, Singapore is the auditor of all other subsidiaries of the Group.

Notes to the Financial Statements

For the financial year ended 31 December 2022

14. Investments in subsidiaries (continued)

Significant restrictions

Cash and short-term deposits of $ 81,149,272 (2021: $96,587,210) are held in the PRC and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

Carrying value of non-controlling interests	**2022** **$**	2021 $
Shanghai Ocean Aquarium Co Ltd	**3,906,204**	4,286,376
Straco Leisure Pte Ltd	**5,420,654**	5,811,295
Other subsidiaries with immaterial non-controlling interest	**135,142**	223,986
Total	**9,462,000**	10,321,657

Summarised financial information of subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

Summarised statement of financial position

	Shanghai Ocean Aquarium Co Ltd		Straco Leisure Pte Ltd	
	2022	2021	**2022**	2021
	$	$	**$**	$
Current				
Assets	**66,970,714**	75,176,694	**13,183,292**	15,314,169
Liabilities	**(6,771,569)**	(6,995,018)	**(4,966,489)**	(8,804,369)
Total current net assets	**60,199,145**	68,181,676	**8,216,803**	6,509,800
Non-current				
Assets	**18,092,955**	17,607,298	**144,857,898**	149,278,622
Liabilities	**(168,027)**	(61,457)	**(98,877,986)**	(97,685,298)
Total non-current net assets	**17,924,928**	17,545,841	**45,979,912**	51,593,324
Net assets	**78,124,073**	85,727,517	**54,196,715**	58,103,124

Notes to the Financial Statements

For the financial year ended 31 December 2022

14. Investments in subsidiaries (continued)

Summarised statement of comprehensive income

	Shanghai Ocean Aquarium Co Ltd For year ended 31 December		Straco Leisure Pte Ltd For year ended 31 December	
	2022	2021	**2022**	2021
	$	$	**$**	$
Revenue	**9,735,046**	26,842,288	**13,521,289**	7,177,362
Profit/(loss) before income tax	**47,055**	14,378,461	**(4,502,253)**	(131,575)
Income tax (expense)/credit	**(13,033)**	(3,608,334)	**595,844**	379,708
Post-tax profit/(loss) from continuing operations	**34,022**	10,770,127	**(3,906,409)**	248,133
Currency (loss)/gains arising from consolidation	**(7,637,469)**	4,825,093	**-**	-
Total comprehensive (loss)/income	**(7,603,447)**	15,595,220	**(3,906,409)**	248,133
Total comprehensive (loss)/ income allocated to non-controlling interests	**(380,172)**	779,761	**(390,641)**	24,813
Dividends paid to non-controlling interests	**-**	1,842,513	**-**	-

Notes to the Financial Statements

For the financial year ended 31 December 2022

14. Investments in subsidiaries (continued)

Summarised statement of cash flows

	Shanghai Ocean Aquarium Co Ltd For year ended 31 December		Straco Leisure Pte Ltd For year ended 31 December	
	2022	2021	**2022**	2021
	$	$	**$**	$
Cash flows from operating activities				
Cash generated from/(used in) operations	**484,292**	15,324,561	**(458,290)**	11,381,961
Income tax paid	**(264,518)**	(3,869,536)	**-**	-
Net cash provided by/(used in) operating activities	**219,774**	11,455,025	**(458,290)**	11,381,961
Net cash provided by/(used in) investing activities	**484,237**	2,286,623	**(1,257,044)**	(1,911,616)
Net cash (used in)/provided by financing activities	**-**	(37,770,705)	**1,107,860**	(6,860,198)
Net increase/(decrease) in cash and cash equivalents	**704,011**	(24,029,057)	**(607,474)**	2,610,147
Cash and cash equivalents at beginning of year	**67,950,199**	88,316,413	**9,560,820**	6,950,673
Exchange (losses)/gains on cash and cash equivalents	**(6,088,761)**	3,662,843	**-**	-
Cash and cash equivalents at end of year	**62,565,449**	67,950,199	**8,953,346**	9,560,820

Notes to the Financial Statements

For the financial year ended 31 December 2022

15. Investment property

	Group	
	2022	2021
	$	$
Cost		
Beginning of financial year	**27,643,160**	27,643,160
Adjustment	**(95,381)**	-
End of financial year	**27,547,779**	27,643,160
Accumulated depreciation and impairment		
Beginning of financial year	**8,161,651**	6,972,826
Depreciation charge (Note 6)	**790,420**	788,825
Impairment	**300,000**	400,000
End of financial year	**9,252,071**	8,161,651
Net book value	**18,295,708**	19,481,509

Investment property comprises a commercial property that is leased to third parties under operating leases (Note 4). 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 (Note 21).

The following amounts are recognised in profit and loss:

	Group	
	2022	2021
	$	$
Rental from leases under investment property (Note 4)	**596,552**	443,508
Direct operating expenses arising from:		
- Investment property that generates rental income	**763,981**	523,120

Notes to the Financial Statements

For the financial year ended 31 December 2022

15. Investment property (continued)

At the reporting date, the details of the Group's investment property are as follows:

Location:	30 Raffles Avenue, Singapore Flyer, Singapore 039803
Description:	Existing use: 3-storey terminal building
Tenure:	30 years less 1 day lease commencing on 5 July 2005 with an option to extend for a further 15 years less 1 day lease subject to renewal of head lease

As at 31 December 2022, the Group has determined that the recoverable amount based on fair value less cost to sell is lower than the carrying value of the investment property and an impairment loss of $300,000 (2021: $400,000) was recognised.

The fair value of investment property at 31 December 2022 is approximately $19,500,000 (2021: $19,500,000). 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 capitalisation approach. The most significant input in each valuation approach is the discount rate and capitalisation rate of 8.0% and 5.5% (2021: 8.0% and 5.5%) respectively.

If the discount rate and income capitalisation rate per the valuation report were to increase by 1%, there will be an increase of $600,000 to the amount of impairment loss on investment property.

Notes to the Financial Statements

For the financial year ended 31 December 2022

16. Property, plant and equipment

	Leasehold land and buildings $	Leasehold improvements $	Cable car equipment $	Giant observation wheel $	Office equipment, furniture and fittings $	Motor vehicles $	Machinery $	Fishes and marine livestock $	Construction in progress $	Total $
Group										
2022										
Cost										
Beginning of financial year	109,316,541	11,236,440	6,756,441	87,581,653	11,478,047	637,848	60,295,599	8,864,361	7,912,801	304,079,731
Currency translation differences	(3,889,253)	(813,653)	(603,460)	-	(805,467)	(56,813)	(3,858,778)	(700,468)	(434,346)	(11,162,238)
Additions	107,749	24,000	31,568	821,974	459,480	-	16,258	108,920	1,042,880	2,612,829
Disposals/ write-off	-	(16,313)	-	(204,000)	(239,266)	-	(39,308)	-	-	(498,887)
Reclassification	-	705,171	-	-	847,743	-	4,860	-	(1,557,774)	-
Adjustment	(105,052)	-	-	(380,824)	-	-	-	-	-	(485,876)
End of financial year	105,429,985	11,135,645	6,184,549	87,818,803	11,740,537	581,035	56,418,631	8,272,813	6,963,561	294,545,559
Accumulated depreciation and impairment										
Beginning of financial year	32,931,519	7,462,784	5,872,324	18,418,190	8,588,011	588,286	53,055,247	8,580,747	271,135	135,768,243
Currency translation differences	(2,103,957)	(635,196)	(532,268)	-	(565,413)	(52,398)	(3,411,005)	(674,643)	(24,150)	(7,999,030)
Depreciation charge (Note 6)	3,424,022	532,305	174,215	2,617,583	891,021	-	1,090,364	98,275	-	8,827,785
Impairment write-back	(414,989)	(36,207)	-	(1,248,804)	-	-	-	-	-	(1,700,000)
Disposals/ write-off	-	(16,313)	-	(43,953)	(210,963)	-	(34,139)	-	-	(305,368)
End of financial year	33,836,595	7,307,373	5,514,271	19,743,016	8,702,656	535,888	50,700,467	8,004,379	246,985	134,591,630
Net book value										
End of financial year	**71,593,390**	**3,828,272**	**670,278**	**68,075,787**	**3,037,881**	**45,147**	**5,718,164**	**268,434**	**6,716,576**	**159,953,929**

Notes to the Financial Statements

For the financial year ended 31 December 2022

16. Property, plant and equipment (continued)

	Leasehold land and buildings $	Leasehold improvements $	Cable car equipment $	Giant observation wheel $	Office equipment, furniture and fittings $	Motor vehicles $	Machinery $	Fishes and marine livestock $	Construction in progress $	Total $
Group										
2021										
Cost										
Beginning of financial year	107,268,846	10,559,320	6,456,111	86,368,977	10,390,234	609,726	58,207,839	8,439,333	5,918,149	294,218,535
Currency translation differences	1,921,667	376,463	297,814	-	360,207	28,122	1,910,415	341,556	217,841	5,454,085
Additions	16,802	94,274	2,516	903,917	143,303	-	194,272	83,463	3,159,257	4,597,804
Disposals/ write-off	(3,252)	(9,930)	-	-	(157,771)	-	(19,740)	-	-	(190,693)
Reclassification	112,478	216,313	-	308,759	742,074	-	2,813	9	(1,382,446)	-
End of financial year	109,316,541	11,236,440	6,756,441	87,581,653	11,478,047	637,848	60,295,599	8,864,361	7,912,801	304,079,731
Accumulated depreciation and impairment										
Beginning of financial year	28,087,230	6,645,012	5,433,463	14,682,673	7,412,705	562,349	48,696,523	8,144,704	259,181	119,923,840
Currency translation differences	960,949	299,960	253,765	-	250,867	25,937	1,628,751	328,381	11,954	3,760,564
Depreciation charge (Note 6)	3,471,603	491,535	185,096	2,486,713	1,066,186	-	2,744,416	107,662	-	10,553,211
Impairment	414,989	36,207	-	1,248,804	-	-	-	-	-	1,700,000
Disposals/ write-off	(3,252)	(9,930)	-	-	(141,747)	-	(14,443)	-	-	(169,372)
End of financial year	32,931,519	7,462,784	5,872,324	18,418,190	8,588,011	588,286	53,055,247	8,580,747	271,135	135,768,243
Net book value										
End of financial year	**76,385,022**	**3,773,656**	**884,117**	**69,163,463**	**2,890,036**	**49,562**	**7,240,352**	**283,614**	**7,641,666**	**168,311,488**

Notes to the Financial Statements

For the financial year ended 31 December 2022

16. Property, plant and equipment (continued)

(a) Right-of-use of assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 17(a).

(b) As at 31 December 2022, the carrying value of property, plant and equipment and investment property, excluding ROU assets, amounted to $124,087,963 and $15,689,354 respectively (2021: $130,213,593 and $16,780,378).

(c) For the financial year ended 31 December 2022, the Group has determined that the recoverable amount based on fair value less cost to sell is higher than the carrying value of the property, plant and equipment and an impairment write-back of $1,700,000 was recognised.

For the financial year ended 31 December 2021, the Group has determined that the recoverable amount based on fair value less cost to sell is lower than the carrying value of the property, plant and equipment and an impairment loss of $1,700,000 was recognised.

Management relies on the external valuation to support the recoverable amount of the property, plant and equipment. 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 property, plant and equipment is classified within Level 3 of the fair value hierarchy and has been derived using the discounted cash flow approach and capitalisation approach. The most significant input in each valuation approach is the discount rate and capitalisation rate of 12.0% and 9.0% (2021: 12.0% and 9.0%) respectively.

If the discount rate and income capitalisation rate per the valuation report were to increase by 1%, there will be an impairment loss of $700,000 on the property, plant and equipment.

Notes to the Financial Statements

For the financial year ended 31 December 2022

16. Property, plant and equipment (continued)

	Leasehold buildings $	Leasehold improvements $	Office equipment, furniture and fittings $	Total $
Company				
2022				
Cost				
Beginning and end of financial year	2,727,449	221,355	331,557	3,280,361
Accumulated depreciation				
Beginning of financial year	886,421	216,461	328,415	1,431,297
Depreciation charge	54,549	866	2,058	57,473
End of financial year	940,970	217,327	330,473	1,488,770
Net book value				
End of financial year	**1,786,479**	**4,028**	**1,084**	**1,791,591**
2021				
Cost				
Beginning and end of financial year	2,727,449	221,355	331,557	3,280,361
Accumulated depreciation				
Beginning of financial year	831,872	215,594	325,006	1,372,472
Depreciation charge	54,549	867	3,409	58,825
End of financial year	886,421	216,461	328,415	1,431,297
Net book value				
End of financial year	**1,841,028**	**4,894**	**3,142**	**1,849,064**

Notes to the Financial Statements

For the financial year ended 31 December 2022

17. Leases – The Group as a lessee

Nature of the Group's leasing activities

Leasehold land

Underwater World Xiamen Co Ltd entered into an agreement for a land use right with its co-operative partner in the PRC for a period of 40 years from 11 October 1994 to 10 October 2034. The annual rental shall increase by 10% every 4 years until the end of the lease period. The leasehold land for Underwater World Xiamen is recognised within Property, plant and equipment (Note 16).

Straco Leisure Pte Ltd has a lease agreement for a plot of land for a period of 20 years 7 months from 28 November 2014 to 4 July 2035 with an option to renew for a further 15 years. The annual rental is fixed for the duration of the current lease. The leasehold land for Straco Leisure Pte Ltd is recognised within Investment property (Note 15) and Property, plant and equipment (Note 16).

There are no externally imposed covenants on these lease arrangements.

Equipment and Machinery

The Group leases equipment and machinery for its operations. The equipment and machinery are recognised within Property, plant and equipment (Note 16).

(a) Carrying amounts

ROU assets classified within Property, plant and equipment

	2022	2021
	$	$
Leasehold land	**35,820,364**	38,086,498
Office equipment	**45,037**	10,836
Machinery	**565**	561
	35,865,966	38,097,895

ROU assets classified within Investment property

The right-of-use asset relating to the leasehold land presented under Investment properties (Note 15) is stated at cost less accumulated depreciation and accumulated impairment losses and has a carrying amount at balance sheet date of $2,606,354 (2021: $ 2,701,131).

Notes to the Financial Statements

For the financial year ended 31 December 2022

17. Leases – The Group as a lessee (continued)

(b) Depreciation charge during the year

	2022	2021
	$	$
ROU assets classified within Property, plant and equipment		
Leasehold land	**1,632,959**	1,645,336
Office equipment	**12,276**	16,619
Machinery	**6,777**	6,731
	1,652,012	1,668,686
ROU assets classified within Investment property		
Investment property	**94,777**	94,777
	94,777	94,777
	1,746,789	1,763,463

(c) Interest expense

	2022	2021
	$	$
Interest expense on lease liabilities (Note 7)	**1,443,625**	1,492,468

(d) Lease expense not capitalised in lease liabilities

	2022	2021
	$	$
Lease expense – low-value leases	**3,140**	3,109
Variable lease payments which do not depends on an index or rate	**669,255**	1,814,892
	672,395	1,818,001

Notes to the Financial Statements

For the financial year ended 31 December 2022

17. Leases – The Group as a lessee (continued)

(e) *Lease liabilities*

	2022	2021
	$	$
Current	**1,197,515**	1,196,131
Non-current	**39,742,360**	41,622,876
	40,939,875	42,819,007

(f) Total cash outflow for all the leases in 2022 was $3,297,909 (2021: $4,772,035).

(g) Additions of ROU assets during the year were $55,588 (2021: $8,236).

(h) Disposals of ROU assets during the year were $2,328 (2021: $584).

(i) Future cash outflow which are not capitalised in lease liabilities:

Variable lease payments

Shanghai Ocean Aquarium Co Ltd entered into an agreement for a land use right. Rental is fixed at a percentage of its total revenue and is payable annually. Such variable lease payments are recognised to profit or loss when incurred and amounted to $632,778 (2021: $1,744,749) for the financial year ended 31 December 2022.

Notes to the Financial Statements

For the financial year ended 31 December 2022

18. Leases – The Group as a lessor

Nature of the Group's leasing activities – Group as a lessor

The Group has leased out their owned investment property to a third party for monthly lease payments. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from investment property is disclosed in Note 4 and Note 15.

Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	2022	2021
	$	$
Less than one year	**396,494**	229,934
One to two years	**403,392**	-
Two to three years	**455,005**	-
Total undiscounted lease payment	**1,254,891**	229,934

Notes to the Financial Statements

For the financial year ended 31 December 2022

19. Intangible assets and goodwill

	Goodwill on consolidation $	Logo and trademark $	Total $
Group			
2022			
Cost			
Beginning of financial year	1,419,013	3,346,920	4,765,933
Currency translation differences	-	(7,555)	(7,555)
End of financial year	1,419,013	3,339,365	4,758,378
Accumulated amortisation			
Beginning of financial year	-	3,281,892	3,281,892
Currency translation differences	-	(2,196)	(2,196)
Amortisation charge (Note 6)	-	8,159	8,159
End of financial year	-	3,287,855	3,287,855
Net book value			
End of financial year	**1,419,013**	**51,510**	**1,470,523**
2021			
Cost			
Beginning of financial year	1,419,013	3,343,182	4,762,195
Currency translation differences	-	3,738	3,738
End of financial year	1,419,013	3,346,920	4,765,933
Accumulated amortisation			
Beginning of financial year	-	3,272,912	3,272,912
Currency translation differences	-	641	641
Amortisation charge (Note 6)	-	8,339	8,339
End of financial year	-	3,281,892	3,281,892
Net book value			
End of financial year	**1,419,013**	**65,028**	**1,484,041**

Notes to the Financial Statements

For the financial year ended 31 December 2022

19. **Intangible assets and goodwill** (continued)

(a) Goodwill arising on consolidation

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to countries of operation and business segments.

For the purpose of impairment testing, goodwill is allocated to the Group's CGU 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. Value-in-use in 2022 is determined in a similar manner as in 2021 and is based on the following key assumptions:

- Cash flows were projected based on past operating performances and future business plan;
- The anticipated annual revenue growth included in the cash flow projections is 2% to 5% for the years 2023 to 2034 (2021: 3% for the years 2022 to 2034) and the terminal growth is 2% (2021: 3%); and
- A pre-tax discount rate of 16.0% (2021: 15.4%) was applied in determining the recoverable amount of the unit. The discount rate used reflects the risk-free rate and the premium for specific risks relating to the business unit.

The values assigned to the key assumptions represent management's assessment of future industry trends and are based on both external and internal sources and both past performance (historical data) and its expectations for market development.

Management believes that any reasonably possible changes in the above key assumptions applied are not likely to materially cause the recoverable amount to be lower than its carrying amount.

Notes to the Financial Statements

For the financial year ended 31 December 2022

20. Trade and other payables

	Group		Company	
	2022	2021	**2022**	2021
	$	$	**$**	$
Trade payables				
- Amounts due to non-related parties	**2,342,252**	3,675,012	**-**	-
	2,342,252	3,675,012	**-**	-
Non-trade payables				
- Amounts due to subsidiaries	**-**	-	**493,950**	535,571
- Accrued expenses	**1,441,269**	1,911,993	**450,674**	502,904
- Salary payable	**908,312**	1,172,243	**-**	-
- Refundable deposit	**122,320**	131,767	**-**	-
- Rental payable	**157,493**	280,281	**-**	-
- Utilities payable	**123,502**	110,167	**-**	-
- Other payables	**981,650**	520,152	**10,918**	8,438
	3,734,546	4,126,603	**955,542**	1,046,913
Deferred revenue	**1,332,693**	3,801,243	**-**	-
Other tax payables	**619,657**	401,060	**-**	-
Deferred government grant	**-**	255,193	**-**	-
	8,029,148	12,259,111	**955,542**	1,046,913

The amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

The carrying amount approximates fair value.

Notes to the Financial Statements

For the financial year ended 31 December 2022

21. Borrowings

	Group	
	2022	2021
	$	$
Current		
Bank borrowings	**988,026**	968,478
	988,026	968,478
Non-current		
Bank borrowings	**2,645,898**	3,633,923
Loan from shareholder of a subsidiary	**4,400,000**	4,000,000
	7,045,898	7,633,923
Total borrowings	**8,033,924**	8,602,401

The loan from shareholder of a subsidiary is unsecured, interest-free and has no fixed terms of repayment and will not be repaid until the secured bank loan is repaid.

(a) Security granted

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

(b) Fair value of non-current borrowings

The carrying amounts of the non-current borrowings approximate their fair values, except for the following fixed-rate non-current bank borrowings:

	Carrying amounts		Fair values	
	2022	2021	**2022**	2021
	$	$	**$**	$
Non-current				
Bank borrowings	**2,645,898**	3,633,923	**2,087,897**	3,300,935

Notes to the Financial Statements

For the financial year ended 31 December 2022

21. Borrowings (continued)

(b) Fair value of non-current borrowings (continued)

The fair values above are determined from the cash flow analysis, discounted at the following market borrowing rates of equivalent instruments at the reporting date at which management expects to be available to the Group:

	2022	2021
Bank borrowings	**2.90%**	1.54%

The fair values are within Level 2 of the fair value hierarchy.

22. Deferred income tax liabilities

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the statement of financial position as follows:

	Group	
	2022	2021
	$	$
Deferred income tax liabilities	**16,584,533**	17,551,566

Movement in deferred income tax account is as follows:

	Group	
	2022	2021
	$	$
Beginning of financial year	**17,551,566**	19,498,952
Tax credited to		
- profit or loss (Note 9(a))	**(967,033)**	(1,947,386)
End of financial year	**16,584,533**	17,551,566

Notes to the Financial Statements

For the financial year ended 31 December 2022

22. Deferred income tax liabilities (continued)

The movement in deferred income tax liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Group

Deferred income tax liabilities

	Accelerated tax depreciation	Withholding tax on undistributed profits	Lease assets	Others	Total
	$	$	$	$	$
2022					
Beginning of financial year	**15,634,041**	**3,052,502**	**5,669,929**	**68,326**	**24,424,798**
(Credited)/charged to:					
- profit or loss	**(626,362)**	**(371,189)**	**(192,632)**	**41,653**	**(1,148,530)**
End of financial year	**15,007,679**	**2,681,313**	**5,477,297**	**109,979**	**23,276,268**
2021					
Beginning of financial year	16,870,711	4,620,179	5,872,362	-	27,363,252
(Credited)/charged to:					
- profit or loss	(1,236,670)	(1,567,677)	(202,433)	68,326	(2,938,454)
End of financial year	15,634,041	3,052,502	5,669,929	68,326	24,424,798

Notes to the Financial Statements

For the financial year ended 31 December 2022

22. Deferred income tax liabilities (continued)

Deferred income tax assets

	Provisions $	Tax losses and capital allowances $	Lease liabilities $	Others $	Total $
2022					
Beginning of financial year	**(163,208)**	**(811,114)**	**(5,898,910)**	**-**	**(6,873,232)**
Charged/(credited) to					
- profit or loss	**(29,011)**	**48,957**	**203,204**	**(41,653)**	**181,497**
End of financial year	**(192,219)**	**(762,157)**	**(5,695,706)**	**(41,653)**	**(6,691,735)**
2021					
Beginning of financial year	(136,790)	(1,711,547)	(6,015,963)	-	(7,864,300)
Charged/(credited) to					
- profit or loss	(26,418)	900,433	117,053	-	991,068
End of financial year	(163,208)	(811,114)	(5,898,910)	-	(6,873,232)

Deferred income tax assets are recognised for unutilised capital allowances and tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The tax losses and capital allowances recognised have no expiry date.

Notes to the Financial Statements

For the financial year ended 31 December 2022

22. Deferred income tax liabilities (continued)

The Group has unutilised tax losses of $3,688,057 (2021: $1,979,881) and unutilised capital allowances of $402,990 (2021: $402,990) at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unutilised tax losses and unutilised capital allowances. The expiry periods of these unutilised tax losses and unutilised capital allowances are as follow:

	Group	
	2022	2021
	$	$
Within 5 years	**1,708,176**	-
No expiry	**2,382,871**	2,382,871
	4,091,047	2,382,871

23. Provision for reinstatement cost

	Group	
	2022	2021
	$	$
Beginning of financial year	**6,073,050**	5,948,140
Adjustment	**(581,257)**	-
Finance cost (Note 7)	**135,099**	124,910
End of financial year	**5,626,892**	6,073,050

The Group has contractual obligation to remove certain assets and reinstate the demised property to its original state and condition as at the date of the handing over of possession of the demised property to the lessor. The costs are included as part of the carrying values of the property, plant and equipment and investment property.

For the financial year ended 31 December 2022, there was a decrease of $581,257 (2021: $Nil) in the provision for reinstatement cost as a result of the change in the discount rate.

Notes to the Financial Statements

For the financial year ended 31 December 2022

24. Share capital and treasury shares

	No. of ordinary shares		Amount	
	Issued share capital	Treasury shares	Share capital	Treasury shares
Group and Company			$	$
2022				
Beginning of financial year	868,929,580	(13,963,900)	76,985,514	(7,579,613)
Treasury shares purchased	-	-	-	-
End of financial year	868,929,580	(13,963,900)	76,985,514	(7,579,613)
2021				
Beginning of financial year	868,929,580	(13,833,900)	76,985,514	(7,506,642)
Treasury shares purchased	-	(130,000)	-	(72,971)
End of financial year	868,929,580	(13,963,900)	76,985,514	(7,579,613)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

(a) Treasury shares

In 2022, the company did not acquire shares in the Company.

In 2021, the Company acquired 130,000 shares in the Company in the open market for $72,971 and this was presented as a component within shareholders' equity.

There were no treasury shares re-issued in 2022 and 2021.

(b) Straco Share Option Scheme

The Straco Share Option Scheme (the "2004 Scheme") of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 12 January 2004. Details of the 2004 Scheme were described in the Prospectus dated 10 February 2004 on the Company's initial public offer of shares. On 28 April 2010, the Company amended the 2004 Scheme to allow controlling shareholders and their associates, who are in the employment of the Group, to be eligible to participate in the 2004 Scheme. The 2004 Scheme is currently administered by the Company's Remuneration Committee, comprising three directors, namely Tay Siew Choon, Chua Soh Har and Teo Ser Luck as at the end of the financial year.

Notes to the Financial Statements

For the financial year ended 31 December 2022

24. Share capital and treasury shares (continued)

(b) Straco Share Option Scheme (continued)

Information regarding the 2004 Scheme was as follows:

- The exercise price of the options could be set at a discount to the market price not exceeding 20% of the market price in respect of options granted at the time of grant;
- The options could be exercised 1 year after the grant for market price options and 2 years for discounted options; and
- The options granted would expire after 5 years for non-executive directors, and 10 years for executive directors and employees of the Company and its subsidiaries.

Participation in the 2004 Scheme ceased on 11 January 2014.

On 29 April 2014, the shareholders of the Company approved the adoption of a new share option scheme known as the "Straco Share Option Scheme 2014" (the "2014 Scheme" and together with the 2004 Scheme, the "Schemes"), the rules of which are set out in the Company's circular to shareholders dated 11 April 2014. The 2014 Scheme is administered by the Company's Remuneration Committee, comprising of three directors, namely, Tay Siew Choon, Teo Ser Luck and Chua Soh Har.

Information regarding the 2014 Scheme is as follows:

- The exercise price of the options can be the market price or at a discount to the market price not exceeding 20% of the market price in respect of options granted at the time of grant;
- The options are exercisable 1 year and 2 years after the grant for market price options and for discounted options respectively; and
- The options granted will expire after 5 years for non-executive directors, and 10 years for executive directors and employees of the Company and its subsidiaries.

Notes to the Financial Statements

For the financial year ended 31 December 2022

24. Share capital and treasury shares (continued)

(b) Straco Share Option Scheme (continued)

Movements in the number of unissued ordinary shares under option and their exercise prices are as follows:

	← No. of ordinary shares under option				→		
Date of grant of options	**Beginning of financial year**	**Granted during financial year**	**Expired/ Forfeited during financial year**	**Exercised during financial year**	**End of financial year**	**Exercise price $**	**Exercise period**
Group and Company							
2022							
2004 Scheme							
06/05/2013	750,000	-	-	-	750,000	0.311	07/05/2014 to 06/05/2023
2014 Scheme							
12/05/2014	1,580,000	-	-	-	1,580,000	0.63	13/05/2015 to 12/05/2024
12/05/2015	2,208,000	-	-	-	2,208,000	1.06	13/05/2016 to 12/05/2025
12/05/2016	2,220,000	-	-	-	2,220,000	0.79	13/05/2017 to 12/05/2026
11/05/2017	2,460,000	-	(2,460,000)	-	-	0.84	12/05/2018 to 11/05/2022
11/05/2017	2,200,000	-	-	-	2,200,000	0.84	12/05/2018 to 11/05/2027
21/05/2018	2,610,000	-	-	-	2,610,000	0.78	22/05/2019 to 21/05/2023
21/05/2018	2,200,000	-	-	-	2,200,000	0.78	22/05/2019 to 21/05/2028
23/05/2019	2,260,000	-	-	-	2,260,000	0.78	24/05/2020 to 23/05/2024
23/05/2019	2,180,000	-	-	-	2,180,000	0.78	24/05/2020 to 23/05/2029
03/07/2020	1,900,000	-	-	-	1,900,000	0.51	04/07/2021 to 03/07/2025
03/07/2020	1,802,000	-	-	-	1,802,000	0.51	04/07/2021 to 03/07/2030
	24,370,000	-	(2,460,000)	-	21,910,000		

Notes to the Financial Statements

For the financial year ended 31 December 2022

24. Share capital and treasury shares (continued)

(b) Straco Share Option Scheme (continued)

Date of grant of options	Beginning of financial year	Granted during financial year	Expired/ Forfeited during financial year	Exercised during financial year	End of financial year	Exercise price $	Exercise period
	No. of ordinary shares under option						
Group and Company							
2021							
2004 Scheme							
06/05/2013	750,000	-	-	-	750,000	0.311	07/05/2014 to 06/05/2023
2014 Scheme							
12/05/2014	1,580,000	-	-	-	1,580,000	0.63	13/05/2015 to 12/05/2024
12/05/2015	2,208,000	-	-	-	2,208,000	1.06	13/05/2016 to 12/05/2025
12/05/2016	2,176,000	-	(2,176,000)	-	-	0.79	13/05/2017 to 12/05/2022
12/05/2016	2,220,000	-	-	-	2,220,000	0.79	13/05/2017 to 12/05/2026
11/05/2017	2,460,000	-	-	-	2,460,000	0.84	12/05/2018 to 11/05/2022
11/05/2017	2,200,000	-	-	-	2,200,000	0.84	12/05/2018 to 11/05/2027
21/05/2018	2,610,000	-	-	-	2,610,000	0.78	22/05/2019 to 21/05/2023
21/05/2018	2,200,000	-	-	-	2,200,000	0.78	22/05/2019 to 21/05/2028
23/05/2019	2,260,000	-	-	-	2,260,000	0.78	24/05/2020 to 23/05/2024
23/05/2019	2,180,000	-	-	-	2,180,000	0.78	24/05/2020 to 23/05/2029
03/07/2020	1,900,000	-	-	-	1,900,000	0.51	04/07/2021 to 03/07/2025
03/07/2020	1,862,000	-	(60,000)	-	1,802,000	0.51	04/07/2021 to 03/07/2030
	26,606,000	-	(2,236,000)	-	24,370,000		

Notes to the Financial Statements

For the financial year ended 31 December 2022

24. Share capital and treasury shares (continued)

(b) Straco Share Option Scheme (continued)

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercisable price 2022 $	**Number of options 2022**	Weighted average exercisable price 2021 $	Number of options 2021
Outstanding at 1 January	**0.7526**	**24,370,000**	0.7551	26,606,000
Expired/ Forfeited during the year	**-**	**(2,460,000)**	-	(2,236,000)
Granted during the year	**-**	**-**	-	-
Outstanding at 31 December	**0.7428**	**21,910,000**	0.7526	24,370,000
Exercisable at 31 December	**0.7428**	**21,910,000**	0.7526	24,370,000

The options outstanding at 31 December 2022 have an exercise price in the range of $0.311 to $1.06 (2021: $0.311 to $1.06) and a weighted average remaining contractual life of 3.33 years (2021: 3.93 years).

There were no share options exercised in 2022 and 2021.

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the binomial method. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Notes to the Financial Statements

For the financial year ended 31 December 2022

24. Share capital and treasury shares (continued)

(b) Straco Share Option Scheme (continued)

Fair value of share options and assumptions

Date of grant of options	3 July 2020	3 July 2020	23 May 2019	23 May 2019	21 May 2018	21 May 2018	11 May 2017	11 May 2017	12 May 2016	12 May 2015	12 May 2014	6 May 2013
Fair value at measurement date	$0.0933	$0.1226	$0.1189	$0.1675	$0.1186	$0.1732	$0.1287	$0.1876	$0.2728	$0.3471	$0.2281	$0.08
Share price	$0.505	$0.505	$0.76	$0.76	$0.77	$0.77	$0.84	$0.84	$0.785	$1.005	$0.645	$0.31
Exercise price	$0.51	$0.51	$0.78	$0.78	$0.78	$0.78	$0.84	$0.84	$0.79	$1.06	$0.63	$0.311
Expected volatility	31.61%	31.61%	22.78%	22.78%	21.21%	21.21%	21.30%	21.30%	60.61%	62.26%	62.24%	54.72%
Expected option life	5 years	10 years	5 years	10 years	5 years	10 years	5 years	10 years	5-10 years	5-10 years	5-10 years	5-10 years
Expected dividends	4.95%	4.95%	4.61%	4.61%	3.25%	3.25%	2.98%	2.98%	3.18%	1.99%	3.10%	4.03%
Risk-free interest rate	0.52%	0.89%	2.01%	2.19%	2.27%	2.67%	1.66%	2.20%	1.98%	2.39%	2.34%	1.47%

The expected volatility is based on the historic volatility (calculated based on the weighted average expected life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

There are no market conditions associated with the share options granted. Service conditions and non-market performance conditions are not taken into account in the measurement of the fair value of the services to be received at the grant date.

During the year ended 31 December 2022, the Group recognised share option expenses of $Nil (2021: $202,775) in employee compensation (Note 8).

Notes to the Financial Statements

For the financial year ended 31 December 2022

25. Other reserves

	Group		Company	
	2022	2021	**2022**	2021
	$	$	**$**	$
Composition:				
Share option reserve	**10,011,691**	10,011,691	**10,011,691**	10,011,691
Capital reserve	**(1,228,257)**	(1,228,257)	**(1,228,257)**	(1,228,257)
General reserve	**16,770,833**	16,770,833	**-**	-
Currency translation reserve	**(6,358,189)**	3,413,876	**-**	-
Treasury shares	**(7,579,613)**	(7,579,613)	**(7,579,613)**	(7,579,613)
	11,616,465	21,388,530	**1,203,821**	1,203,821

The movements in reserves for the Group are set out in the statement of changes in equity.

Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options.

Currency translation reserve

The currency translation reserve comprises:

a. exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company; and

b. exchange difference on translation of monetary items which in substance form part of the Company's net investment in foreign operations.

Capital reserve

Capital reserve arises from gains or losses on the reissuance of own shares.

Notes to the Financial Statements

For the financial year ended 31 December 2022

25. Other reserves (continued)

General reserve

The subsidiaries that are established in the PRC follow the accounting principles and relevant financial regulations of the PRC applicable to sino-foreign joint venture enterprises ("Joint Ventures") in the preparation of the accounting records and statutory financial statements.

These subsidiaries are required by the articles of the Joint Ventures to appropriate to the general reserve part of their annual profits. The amount to be allocated to this reserve is at the discretion of the Board of Directors of the Joint Ventures. Appropriation to the general reserve must be made before distribution of dividends to investors.

Other reserves are non-distributable.

26. Dividends

	Group	
	2022	2021
	$	$
Ordinary dividends paid		
Dividend paid in respect of the previous financial year of 1.0 cent (2021: 1.0 cents) per share	**8,549,657**	8,550,957

At the forthcoming Annual General Meeting, a final dividend of 1.0 cent per share will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2023.

Notes to the Financial Statements

For the financial year ended 31 December 2022

27. Commitments

Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group	
	2022	2021
	$	$
Property, plant and equipment	**1,837,552**	1,037,489

28. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

(a) Market risk

(i) Currency risk

The Group is exposed to sales and purchases, inter-company balances that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to foreign currency risk are primarily the Chinese Renminbi ("RMB") and United States Dollar ("USD").

Notes to the Financial Statements

For the financial year ended 31 December 2022

28. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency profile and exposure based on the information provided to key management is as follows:

	SGD $	USD $	RMB $
At 31 December 2022			
Financial assets			
Cash and cash equivalents	19,953,027	19,324	131,711,658
Trade and other receivables	590,124	-	2,986,821
Intra-group receivables	46,241,777	134,482	8,459,522
	66,784,928	153,806	143,158,001
Financial liabilities			
Trade and other payables	(2,606,194)	-	(3,470,604)
Intra-group payables	(46,241,777)	(134,482)	(8,459,522)
Borrowings	(8,033,924)	-	-
Lease liabilities	(33,507,717)	-	(7,432,158)
	(90,389,612)	(134,482)	(19,362,284)
Currency profile of net financial (liabilities)/ assets	**(23,604,684)**	**19,324**	**123,795,717**
Currency exposure of net financial (liabilities)/ assets excluding those denominated in the respective entities' functional currencies	**(6,019,349)**	**(115,081)**	**48,148,135**

Notes to the Financial Statements

For the financial year ended 31 December 2022

28. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD $	USD $	RMB $
At 31 December 2021			
Financial assets			
Cash and cash equivalents	13,410,912	19,418	165,063,508
Trade and other receivables	2,611,546	-	2,911,809
Intra-group receivables	42,426,126	135,182	9,262,748
	58,448,584	154,600	177,238,065
Financial liabilities			
Trade and other payables	(4,576,620)	-	(3,224,995)
Intra-group payables	(42,426,126)	(135,182)	(9,262,748)
Borrowings	(8,602,401)	-	-
Lease liabilities	(34,249,418)	-	(8,569,589)
	(89,854,565)	(135,182)	(21,057,332)
Currency profile of net financial (liabilities)/assets	**(31,405,981)**	**19,418**	**156,180,733**
Currency exposure of net financial (liabilities)/assets excluding those denominated in the respective entities' functional currencies	**(5,797,499)**	**(115,687)**	**65,799,898**

Notes to the Financial Statements

For the financial year ended 31 December 2022

28. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency profile and exposure based on the information provided to key management is as follows:

	SGD $	RMB $
At 31 December 2022		
Financial assets		
Cash and cash equivalents	8,056,314	50,575,771
Trade and other receivables	472,193	258,281
Loans and advances to subsidiaries	40,250,000	-
	48,778,507	50,834,052
Financial liabilities		
Trade and other payables	(488,652)	(466,890)
Currency profile of net financial assets	**48,289,855**	**50,367,162**
Currency exposure of net financial assets excluding those denominated in the Company's functional currency	**-**	**50,367,162**

Notes to the Financial Statements

For the financial year ended 31 December 2022

28. Financial risk management (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

	SGD $	RMB $
At 31 December 2021		
Financial assets		
Cash and cash equivalents	872,106	68,486,319
Trade and other receivables	407,351	241,821
Loans and advances to subsidiaries	36,650,000	-
	37,929,457	68,728,140
Financial liabilities		
Trade and other payables	(534,373)	(512,540)
Currency profile of net financial assets	**37,395,084**	**68,215,600**
Currency exposure of net financial assets excluding those denominated in the Company's functional currency	**-**	**68,215,600**

Notes to the Financial Statements

For the financial year ended 31 December 2022

28. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the USD and RMB both change against the SGD by 5% (2021: 5%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

	Increase/(Decrease)	
	2022	2021
	Loss after tax	Profit after tax
	$	$
Group		
USD against SGD		
- Strengthened	**4,776**	(4,801)
- Weakened	**(4,776)**	4,801
RMB against SGD		
- Strengthened	**(1,998,148)**	2,730,696
- Weakened	**1,998,148**	(2,730,696)
Company		
RMB against SGD		
- Strengthened	**(2,090,237)**	2,830,947
- Weakened	**2,090,237**	(2,830,947)

(ii) Interest rate risk

As at 31 December 2022 and 31 December 2021, the Group and the Company has no significant interest-bearing assets and liabilities that are exposed to significant interest rates risk.

(iii) Price risk

As at 31 December 2022 and 31 December 2021, the Group and the Company are not exposed to equity price risk as the Group and the Company do not hold any equity financial assets.

Notes to the Financial Statements

For the financial year ended 31 December 2022

28. Financial risk management (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit standing and history, and buying credit insurance where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets.

As at the reporting date, there is no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position, except as follows:

	Company	
	2022	2021
	$	$
Corporate guarantee provided to bank on subsidiary's loan	**3,633,924**	4,602,401

These guarantees are subject to the impairment requirements of SFRS(I) 9. The Group and the Company has assessed that its subsidiary has strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade and other receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

Notes to the Financial Statements

For the financial year ended 31 December 2022

28. Financial risk management (continued)

(b) Credit risk (continued)

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables, loans to subsidiaries and other receivables.

The age analysis of these classes of financial assets past due but not impaired is as follows:

	Group		Company	
	2022	2021	**2022**	2021
	$	$	**$**	$
Past due 31-60 days	**47,058**	30,209	**-**	-
Past due 61-90 days	**20,129**	16,892	**-**	-
Past due 91-180 days	**32,963**	39,358	**-**	-
Past due 181-365 days	**-**	137,899	**-**	-
Past due >365 days	**68,114**	32,780	**416,597**	417,711
	168,264	257,138	**416,597**	417,711

Based on historical default rates, the Group and Company believe that no impairment allowance is necessary in respect of trade and other receivables, other than those already provided for. These receivables are mainly due from customers that have a good payment record with the Group and the Company.

The factors considered in providing for the specific loss components of the Group and the Company include, but are not limited to, the length of the Group's and the Company's relationship with the debtors, their payment behaviour and known market factors.

In measuring the expected credit losses, trade debtors are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade debtors are written off when there is no reasonable expectation of recovery. There are no expected credit losses to be recognised as a result of management's assessment for the year ended 31 December 2022 and 2021.

Notes to the Financial Statements

For the financial year ended 31 December 2022

28. Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or rising damage to the Group's reputation.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days. Currently, the Group places excess funds in fixed deposits with banks and financial institutions which are regulated.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year $	**Between 1 and 5 years $**	**Over 5 years $**
Group			
At 31 December 2022			
Trade and other payables	(6,076,798)	-	-
Lease liabilities	(2,577,935)	(10,449,772)	(46,649,723)
Borrowings	(1,051,668)	(7,117,153)	-
At 31 December 2021			
Trade and other payables	(7,801,615)	-	-
Lease liabilities	(2,654,452)	(10,638,778)	(49,959,670)
Borrowings	(1,051,668)	(7,768,821)	-

Notes to the Financial Statements

For the financial year ended 31 December 2022

28. Financial risk management (continued)

(c) Liquidity risk (continued)

	Less than 1 year $	Between 1 and 5 years $	Over 5 years $
Company			
At 31 December 2022			
Trade and other payables	(955,542)	-	-
Financial guarantee contracts	(3,633,924)	-	-
At 31 December 2021			
Trade and other payables	(1,046,913)	-	-
Financial guarantee contracts	(4,602,401)	-	-

(d) Capital risk

Capital management

The policy of the Board of Directors is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group defines capital as total shareholders' equity. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity. The Board also monitors the level of dividends to ordinary shareholders.

Notes to the Financial Statements

For the financial year ended 31 December 2022

28. Financial risk management (continued)

(d) Capital risk (continued)

The Group's return on capital at the end of the reporting year was as follows:

	2022 **$**	2021 $
Net (loss)/profit before tax	**(11,586,542)**	16,546,242
Add/(Less):		
- Arbitration award for Insurance claim	**-**	(10,433,085)
- Interest income	**(4,186,898)**	(4,400,892)
- Interest expense	**1,661,914**	1,846,912
- Loss on disposal of property, plant and equipment	**181,110**	20,049
- Impairment (write-back)/ loss on property, plant and equipment	**(1,700,000)**	1,700,000
- Impairment loss on investment property	**300,000**	400,000
Net operating (loss)/income	**(15,330,416)**	5,679,226
Total shareholders' equity	**259,312,826**	289,300,698
Return on capital at 31 December	**(5.9)%**	2.0%

The target of the Board of Directors is for employees of the Group to hold up to 10% of the Company's ordinary shares by 2024. Assuming that all current outstanding share options vest and are exercised, present employees will hold approximately 2.5% (2021: 2.8%) of the Company's share capital.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group's target is to achieve a return on capital of between 8% and 12% (2021: 8% and 12%).

From time to time, the Group purchases its own shares on the market under the mandate approved by the shareholders. The shares purchased are held as treasury shares.

Notes to the Financial Statements

For the financial year ended 31 December 2022

28. Financial risk management (continued)

(d) Capital risk (continued)

There were no changes in the Group's approach to capital management during the year.

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2022 and 2021.

(e) Fair value measurements

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the finance team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group's Audit and Risk Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3 Inputs for the asset of liability that are not based on observable marked data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

Notes to the Financial Statements

For the financial year ended 31 December 2022

28. Financial risk management (continued)

(e) Fair value measurements (continued)

The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of non-current borrowings for disclosure purposes is estimated based on quoted market prices or dealer quotes for similar instruments by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The carrying amounts of current borrowings approximate their fair values. See Note 21 for the disclosure of the fair value of non-current borrowings.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed below:

	Group		Company	
	2022	2021	**2022**	2021
	$	$	**$**	$
Cash and cash equivalents	**151,684,009**	178,493,838	**58,632,085**	69,358,425
Trade and other receivables	**3,576,945**	5,523,355	**730,474**	649,172
Loans and advances to subsidiaries	**-**	-	**40,250,000**	36,650,000
Financial assets at amortised cost	**155,260,954**	184,017,193	**99,612,559**	106,657,597
Trade and other payables	**(6,076,798)**	(7,801,615)	**(955,542)**	(1,046,913)
Lease liabilities	**(40,939,875)**	(42,819,007)	**-**	-
Borrowings	**(8,033,924)**	(8,602,401)	**-**	-
Financial liabilities at amortised cost	**(55,050,597)**	(59,223,023)	**(955,542)**	(1,046,913)

Notes to the Financial Statements

For the financial year ended 31 December 2022

29. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

Key management personnel compensation is as follows:

	Group	
	2022	2021
	$	$
Short-term employee benefits	**1,996,404**	1,562,208
Employer's contribution to defined contribution plans, including Central Provident Fund	**59,190**	57,303
Bonus and variable compensation	**152,883**	156,492
Directors' fees	**332,200**	332,200
Share option expense	**-**	147,688
	2,540,677	2,255,891

Directors also participate in the share option scheme. The share options granted are on the same terms and conditions as those offered to other employees of the Company as described in Note 24(b). No share option was granted to the directors of the Company in 2022 and 2021.

30. 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, 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 2022 or 2021.

Notes to the Financial Statements

For the financial year ended 31 December 2022

30. Segment information (continued)

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.

The segment information provided to the Group's EC for the reportable segments are as follows:

Information about reportable segments

	Aquariums		Giant Observation Wheel		Others		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
	$	$	**$**	$	**$**	$	**$**	$
Ticketing	**13,569,302**	31,343,869	**10,954,786**	5,675,289	**274,537**	1,801,177	**24,798,625**	38,820,335
Retail	**673,541**	1,353,822	**505,687**	309,977	**-**	-	**1,179,228**	1,663,799
Food and beverages	**153,077**	234,533	**870,526**	459,931	**-**	-	**1,023,603**	694,464
Others	**-**	-	**593,737**	288,657	**-**	-	**593,737**	288,657
Rental from leases under investment property (Note 15)	**-**	-	**596,552**	443,508	**-**	-	**596,552**	443,508
External revenue	**14,395,920**	32,932,224	**13,521,288**	7,177,362	**274,537**	1,801,177	**28,191,745**	41,910,763
Arbitration award for insurance claim	**-**	-	**-**	10,433,085	**-**	-	**-**	10,433,085
Interest income	**2,724,485**	3,430,795	**85,657**	10,307	**18,312**	54,434	**2,828,454**	3,495,536
Interest expense	**(387,036)**	(412,661)	**(1,274,650)**	(1,433,994)	**-**	-	**(1,661,686)**	(1,846,655)
Other material non-cash items								
- Depreciation and amortisation	**(2,747,935)**	(4,229,302)	**(6,458,095)**	(6,685,517)	**(349,744)**	(364,386)	**(9,555,774)**	(11,279,205)
- Impairment write-back/(loss) on property, plant and equipment	**-**	-	**1,700,000**	(1,700,000)	**-**	-	**1,700,000**	(1,700,000)
- Impairment loss on investment property	**-**	-	**(300,000)**	(400,000)	**-**	-	**(300,000)**	(400,000)
Reportable segment (loss)/profit before income tax	**(677,832)**	15,365,574	**(4,502,254)**	(131,575)	**(1,392,705)**	25,193	**(6,572,791)**	15,259,192
Reportable segment assets	**115,476,833**	134,452,245	**158,041,190**	164,592,794	**7,179,798**	9,362,713	**280,697,821**	308,407,752
Capital expenditure	**934,801**	1,648,515	**1,325,735**	2,424,035	**289,311**	502,878	**2,549,847**	4,575,428
Reportable segment liabilities	**16,010,959**	17,051,142	**103,844,476**	106,489,669	**5,596,821**	5,961,404	**125,452,256**	129,502,215

Notes to the Financial Statements

For the financial year ended 31 December 2022

30. Segment information (continued)

(a) Reconciliations

(i) *Segment profits or losses*

A reconciliation of segment profits or losses to profit or loss before tax is as follows:

	2022 $	2021 $
Segment (losses)/profits for reportable segments	**(6,572,791)**	15,259,192
Unallocated:		
Head office and corporate expense	**(8,271,387)**	(3,589,173)
Interest and other income	**1,515,220**	2,878,092
Elimination on consolidation	**1,742,416**	1,998,131
(Loss)/profit before tax	**(11,586,542)**	16,546,242

(ii) *Segment assets*

Segment assets are reconciled to total assets as follows:

	2022 $	2021 $
Segment assets for reportable segments	**280,697,821**	308,407,752
Unallocated:		
Property, plant and equipment	**1,806,328**	1,866,778
Right-of-use assets	**3,432**	6,177
Loan and advances to subsidiaries	**40,250,000**	36,650,000
Other amounts due from subsidiaries	**10,100,319**	10,250,777
Cash and bank balances	**60,580,298**	71,344,665
Others	**361,885**	275,783
Elimination on consolidation	**(54,906,655)**	(51,894,930)
	338,893,428	376,907,002

Notes to the Financial Statements

For the financial year ended 31 December 2022

30. Segment information (continued)

(a) Reconciliations (continued)

(iii) *Segment liabilities*

Segment liabilities are reconciled to total liabilities as follows:

	2022	2021
	$	$
Segment liabilities for reportable segments	**125,452,256**	129,502,215
Unallocated:		
Accruals and other payables	**718,912**	919,388
Amount due to subsidiaries	**5,367,205**	5,791,560
Deferred tax liabilities	**2,681,313**	3,052,502
Current tax liabilities	**264,005**	229,289
Lease liabilities	**3,567**	6,280
Elimination on consolidation	**(54,906,655)**	(51,894,930)
	79,580,603	87,606,304

(b) Geographical information

The assets and operations of the Group are primarily located in the PRC 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 on the assets.

	Revenue	
	2022	2021
	$	$
Singapore	**13,521,288**	7,177,362
PRC	**14,670,457**	34,733,401
	28,191,745	41,910,763

Notes to the Financial Statements

For the financial year ended 31 December 2022

30. Segment information (continued)

(b) Geographical information (continued)

	Non-current assets	
	2022	2021
	$	$
Singapore	**146,667,658**	151,151,580
PRC	**33,052,502**	38,125,458
	179,720,160	189,277,038

There is no concentration of revenue from a single external customer.

31. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published and are relevant for the Group's accounting periods beginning on or after 1 January 2023 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 *Presentation of Financial Statements: Classification of Liabilities as Current or Non-current* (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

Notes to the Financial Statements

For the financial year ended 31 December 2022

31. New or revised accounting standards and interpretations (continued)

Amendments to SFRS(I) 1-12 Income Taxes: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (effective for annual periods beginning on or after 1 January 2023)

The amendments to SFRS(I) 1-12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. SFRS (I) 1-12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The Group does not expect any significant impact arising from applying these amendments.

32. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Straco Corporation Limited on 16 March 2023.

Shareholdings Statistics

As at 15 March 2023

Issued and fully paid up

Number of Issued Shares (excluding Treasury Shares)	:	854,965,680
Number (Percentage) of Treasury Shares	:	13,963,900 (1.63%)
Class of Shares	:	Ordinary Shares
Voting Right (excluding Treasury Shares)	:	One vote per share

TWENTY LARGEST SHAREHOLDERS

NO.	SHAREHOLDER'S NAME	NUMBER OF SHARES HELD	%
1	STRACO HOLDING PTE LTD	314,885,440	36.83
2	CHINA POLY GROUP CORPORATION	189,803,600	22.20
3	STRACO (HK) LIMITED	143,990,540	16.84
4	UOB KAY HIAN PTE LTD	72,285,500	8.45
5	DBS VICKERS SECURITIES (S) PTE LTD	31,912,000	3.73
6	DBS NOMINEES PTE LTD	14,371,500	1.68
7	BPSS NOMINEES SINGAPORE (PTE.) LTD.	7,031,400	0.82
8	TEH KIU CHEONG @TEONG CHENG @ CHENG CHIU CHANG	4,996,800	0.58
9	WU HSIOH KWANG @ NG HOK KUONG	4,900,000	0.57
10	MAYBANK SECURITIES PTE. LTD.	2,970,500	0.35
11	WU XIUYI	2,340,000	0.27
12	TAY SIEW CHOON	2,150,000	0.25
13	RAFFLES NOMINEES (PTE) LIMITED	2,147,000	0.25
14	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	1,831,565	0.21
15	GOH HAN PENG (WU HANPING)	1,827,300	0.21
16	CHOONG CHOW SIONG	1,820,000	0.21
17	NG KIM	1,635,500	0.19
18	CITIBANK NOMINEES SINGAPORE PTE LTD	1,383,600	0.16
19	ZHAO AIMIN	1,320,000	0.15
20	IFAST FINANCIAL PTE LTD	1,254,600	0.15
	TOTAL	**804,856,845**	**94.10**

Shareholdings Statistics

As at 15 March 2023

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	2	0.10	35	0.00
100 - 1,000	443	23.44	412,700	0.05
1,001 - 10,000	950	50.27	3,970,300	0.46
10,001 - 1,000,000	471	24.92	41,388,000	4.84
1,000,001 AND ABOVE	24	1.27	809,194,645	94.65
TOTAL	**1,890**	**100.00**	**854,965,680**	**100.00**

SUBSTANTIAL SHAREHOLDERS

No.	Shareholder's Name	Direct Interest	% of Shares	Deemed Interest	% of Shares
1.	Straco Holding Pte Ltd	314,885,440	36.83	-	-
2.	China Poly Group Corporation	189,803,600	22.20	-	-
3.	Straco (HK) Limited	143,990,540	16.84	-	-
4.	Wu Hsioh Kwang	8,888,000	1.04	470,679,980[1]	55.05
5.	Chua Soh Har	11,804,000	1.38	467,763,980[1]	54.71

Based on the information available to the Company as at 15 March 2023, approximately 13.92% of the ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual is complied with.

(1) Mdm. Chua Soh Har is the spouse of Mr. Wu Hsioh Kwang. Mr. Wu Hsioh Kwang is deemed interested in the shares in which Mdm. Chua Soh Har is interested.

Note:

- "Substantial Shareholders" are those shareholders who own at least 5% of the equity of the Company.
- "Deemed Interest" in shares arise, for example, when a person (including a company) owns at least 20% of another company which in turn own shares in Straco Corporation Limited. The person is "deemed" to have an interest in the Straco Corporation Limited shares owned by that other company. It is, therefore, possible for several persons to be deemed interested in the same shares.

  Mr. Wu Hsioh Kwang and Mdm. Chua Soh Har together collectively beneficially own 100% of the issued share capital of Straco Holding Pte Ltd and Straco (HK) Limited and are therefore deemed interested by virtue of Section 7 of the Companies Act 1967 in the shares held by these said companies in the capital of the Company.

  China Poly Group Corporation is a state-owned enterprise, which is owned and supervised by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

This note is merely illustrative. For full understanding of the scope of the regulations, it is necessary to refer to the Singapore Companies Act.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Connection 1, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539, on Thursday, 27 April 2023 at 10.00 am to transact the following business:-

AS ORDINARY BUSINESS

1. To receive and consider the Audited Financial Statements of the Company for the financial year ended 31 December 2022 and the Directors' Statement and the Auditors' Report thereon. **(Resolution 1)**

2. To declare a first and final one-tier tax exempt dividend of 1.0 cent per share for the financial year ended 31 December 2022. **(Resolution 2)**

3. To approve the Directors' fees of S$332,200/- for the financial year ended 31 December 2022 (FY2021: S$332,200/-). **(Resolution 3)**

4. To re-elect Mr. Wu Hsioh Kwang, a Director retiring by rotation pursuant to the requirements of Article 117 of the Company's Constitution. **(Resolution 4)**

5. To re-elect Mr. Li Weiqiang, a Director retiring by rotation pursuant to the requirements of Article 117 of the Company's Constitution. **(Resolution 5)**

6. To re-appoint Messrs PricewaterhouseCoopers LLP as the auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:-

7. **Authority to allot and issue shares**

"That:

(a) pursuant to Section 161 of the Companies Act 1967, and the listing rules of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

(i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

(ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

Notice of Annual General Meeting

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

(b) (Notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force,

provided always that

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued shares excluding treasury shares of the Company, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares of the Company, and for the purpose of this resolution, the issued share capital shall be the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for;

a) new shares arising from the conversion or exercise of convertible securities, or

b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the Singapore Exchange Securities Trading Limited, and

c) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and

(ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

(Resolution 7)

(See Explanatory Note 1)

Notice of Annual General Meeting

8. **The Proposed Renewal of Share Buy Back Mandate**

"That:

(a) for the purposes of Sections 76C and 76E of the Companies Act 1967 of Singapore (the "Companies Act"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares ("Shares") in the capital of the Company not exceeding in aggregate the Prescribed Limit (as defined hereinafter), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as defined hereinafter), whether by way of:

(i) market purchases (each a "Market Purchase") on the Singapore Exchange Securities Trading Limited (the "SGX-ST"); and/or

(ii) off-market purchases (each an "Off-Market Purchase") effected otherwise than on the SGX- ST in accordance with any equal access schemes as may be determined or formulated by the Directors of the Company as they consider fit, which scheme shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable and is hereby authorised and approved generally and unconditionally (the "Share Buy Back Mandate");

(b) unless varied or revoked by the shareholders of the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next Annual General Meeting of the Company is held; or

(ii) the date by which the next Annual General Meeting of the Company is required by law or the Constitution of the Company to be held;

(c) In this Resolution:

"Prescribed Limit" means that number of Shares representing 10% of the total number of issued Shares in the capital of the Company as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares); and

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase: 105% of the Average Closing Price

(ii) in the case of an Off-Market Purchase: 120% of the Average Closing Price

Notice of Annual General Meeting

where:

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) market days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-day market period; and,

(d) any of the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution." **(Resolution 8)**

(See Explanatory Note 2)

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua
Company Secretary

5 April 2023

Notice of Annual General Meeting

Explanatory Notes:-

1. The ordinary resolution no. 7 is to authorise the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50 percent (50%) of total number of issued shares excluding treasury shares of the Company, of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 20 percent (20%) of the total number of issued shares excluding treasury shares of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

2 The proposed ordinary resolution no. 8, if passed, will empower the Directors of the Company effective until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten per cent (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company at the Maximum Price as defined in the Circular dated 5 April 2023. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buy-Back Mandate on the audited consolidated financial accounts of the Group for the financial year ended 31 December 2022 are set out in greater detail in the Letter to Shareholders enclosed together with the Annual Report.

NOTES

1. A member of the Company (other than a member who is a relevant intermediary as defined in Note 2 below) shall not be entitled to appoint more than two proxies to attend and vote at the Annual General Meeting on his behalf. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy needs not be a member of the Company.

2. Pursuant to Section 181 of the Act, any member who is a relevant intermediary is entitled to appoint one or more proxies to attend and vote at the Annual General Meeting. Relevant intermediary is either:

   (a) a banking corporation licensed under the Banking Act or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;

   (b) a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act and holds shares in that capacity; or

   (c) the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act, in respect of shares purchased on behalf of CPF investors.

   A proxy needs not be a member of the Company.

Notice of Annual General Meeting

3. The instrument appointing a proxy(ies) shall, in the case of an individual, be signed by the appointor or his attorney, and in case of a corporation, shall be either under the common seal or signed by its attorney or an authorised officer on behalf of the corporation.

4. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged with the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar at sg.is.proxy@sg.tricorglobal.com,

   in each case, not less than 72 hours before the time appointed for holding the AGM.

PERSONAL DATA POLICY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Additional Information on Directors Seeking Re-Election

Mr. Wu Hsioh Kwang and Mr. Li Weiqiang are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 27 April 2023 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

	MR. WU HSIOH KWANG	MR. LI WEIQIANG
Date of Appointment	13 March 2003	24 October 2012
Date of last re-appointment	27 April 2021	19 June 2020
Age	72	51
Country of principal residence	Singapore	People's Republic of China
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr. Wu Hsioh Kwang for re-appointment as Executive Chairman of the Company. The Board have reviewed and concluded that Mr. Wu Hsioh Kwang possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the qualification, work experiences, contribution and performance, attendance, preparedness, participation, candour and suitability of Mr. Li Weiqiang for re-appointment as a Non-Executive Director of the Company. The Board have reviewed and concluded that Mr. Li Weiqiang possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive, Mr. Wu Hsioh Kwang is responsible for developing growth strategies for the Group's business.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chief Executive Officer, Executive Chairman, Director of the Board and member of Nominating Committee.	Non-Executive Director

Additional Information on Directors Seeking Re-Election

	MR. WU HSIOH KWANG	MR. LI WEIQIANG
Professional qualifications	Bachelor of Commerce degree from the former Nanyang University (Singapore)	PhD in Management from the University of International Business and Economics, Beijing.
Working experience and occupation(s) during the past 10 years	Executive Chairman and Chief Executive Officer of the Company	2018 to Present Executive Vice-President, Poly Culture Group 2016 to 2022 Secretary to the Board, China Poly Group Corporation 2015 to 2016 Director of Enterprise Development Department, China Poly Group Corporation 2010 to 2015 Deputy Director, Enterprise Development Department, China Poly Group Corporation
Shareholding interest in the listed issuer and its subsidiaries	Please refer to Directors' Statement, Directors' interests in shares or debentures on pages 66 and 67 of this annual report.	Please refer to Directors' Statement, Directors' interests in shares or debentures on pages 66 and 67 of this annual report.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr. Wu Hsioh Kwang is the spouse of Mdm. Chua Soh Har, non-executive director of the Company.	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

Additional Information on Directors Seeking Re-Election

	MR. WU HSIOH KWANG	MR. LI WEIQIANG
Other Principal Commitments* Including Directorships#		
Present	1. Lushan-Straco Cable Car Co. Ltd 2. Sound Trading (1975) Pte Ltd 3. Straco (HK) Ltd 4. Straco Holding Pte Ltd 5. Straco International Corporation Pte Ltd 6. Straco Cable-Car Investments Pte Ltd 7. Singapore Chinese Chamber of Commerce and Industry, Senior Honorary Council member 8. Singapore Business Federation, First Vice-Chairman (China & North Asia Business Group) 9. Sun Yat Sen Nanyang Memorial Hall, Board Member 10. NTU's Chinese Heritage Centre, Member of the Board of Governors 11. Confucius Institute, Director 12. Haas School of Business, Board Member 13. Singapore Chinese Orchestra, Vice-Chairman	Executive Vice President, Poly Culture Group
Past (for the last 5 years)	1. Jigongshan-Straco Cable Car Co. Ltd 2. Straco Synergies Pte Ltd 3. Business China, Director	Nil
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

Additional Information on Directors Seeking Re-Election

	MR. WU HSIOH KWANG	MR. LI WEIQIANG
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c) Whether there is any unsatisfied judgment against him?	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

Additional Information on Directors Seeking Re-Election

	MR. WU HSIOH KWANG	MR. LI WEIQIANG
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

Additional Information on Directors Seeking Re-Election

	MR. WU HSIOH KWANG	MR. LI WEIQIANG
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

Additional Information on Directors Seeking Re-Election

	MR. WU HSIOH KWANG	MR. LI WEIQIANG
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company?	This relates to re-appointment of Director	This relates to re-appointment of Director
If yes, please provide details of prior experience.	N.A.	N.A.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N.A.	N.A.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.

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STRACO CORPORATION LIMITED

Registration Number: 200203482R
(Incorporated in the Republic of Singapore)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT
1. Pursuant to Section 181 (1C) of the Companies Act 1967, Relevant Intermediaries may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF or SRS investors who wish to appoint the Chairman of AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 pm on 14 April 2023.
3. CPF investors are requested to contact their respective Agent Banks for any queries that they may have with regard to their appointment as proxies

*I/We, ______________________________ (Name) ______________________________ (NRIC/Passport no.)

of ____ (Address)

being *a member/members of Straco Corporation Limited (the "Company"), hereby appoint:

Name	Address	Email address	NRIC/ Passport No.	Proportion of Shareholdings	
				No. of Shares	%

And/or (delete as appropriate)

as my/our proxy to vote for me/us at the Annual General Meeting of Straco Corporation Limited (the "Company") to be held at Connection 1, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539 on Thursday, 27 April 2023 at 10.00 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or to abstain from voting on the resolutions to be proposed at the Annual General Meeting as indicated below

No.	Ordinary Resolutions	For	Against	Abstain
1.	To receive and consider the Audited Financial Statements of the Company for the financial year ended 31 December 2022 and the Directors' Statement and Auditors' Report thereon.			
2.	To declare a first and final one-tier tax exempt dividend of 1.0 cent per share for the financial year ended 31 December 2022.			
3.	To approve the Directors' fees of S$332,200/- for the financial year ended 31 December 2022 (FY2021: S$332,200/-).			
4.	To re-elect Mr. Wu Hsioh Kwang, pursuant to Article 117 of the Company's Constitution.			
5.	To re-elect Mr. Li Weiqiang, pursuant to Article 117 of the Company's Constitution.			
6.	To re-appoint Messrs PricewaterhouseCoopers LLP as auditors of the Company and to authorise the Directors to fix their remuneration.			
7.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act 1967.			
8.	To approve the renewal of the Share Buy-Back Mandate.			

Note: Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes "For" or "Against" a resolution, please indicate with a tick (√) in the "For" or "Against" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with a tick (√) in the "Abstain" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares in the "Abstain" box provided in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deems fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the Annual General Meeting

Dated this ______________ day of ______________ 2023

Total number of Shares in:	No. of Shares held
(a) CDP Register	
(b) Register of Members	

____

Signature(s) of Member(s)/ Common Seal

IMPORTANT: Please Read Notes before Completing this Proxy Form

Notes to Proxy Form:-

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of his shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this Proxy Form as invalid.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

2. A proxy need not be a member of the Company.
3. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.
4. The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
5. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act 1967 of Singapore.
6. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged with the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), at 80 Robinson Road #11-02, Singapore 068898; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar at sg.is.proxy@sg.tricorglobal.com,

   in each case, not less than 72 hours before the time appointed for holding the Annual General Meeting.

7. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act 1967 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
9. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the Annual General Meeting.
10. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

PERSONAL DATA PRIVACY

By submitting an instrument appointing (a) proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 5 April 2023.

AFFIX
STAMP

The Share Registrar of

STRACO CORPORATION LIMITED

c/o Tricor Barbinder Share Registration Services

80 Robinson Road, #11-02

Singapore 068898

STRACO
星雅集团

(Company Registration No.200203482R)

(Incorporated in the Republic of Singapore on 25 April 2002)
10 Anson Road, #30-15 International Plaza Singapore 079903
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STRACO CORPORATION LIMITED

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