

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

**First Quarter Ended 31 March 2007 Unaudited Financial Statements and Dividend Announcement**

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

**1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

**INCOME STATEMENT**

	<b>1Q 2007</b>	<b>1Q 2006</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Sales	3,824	3,379	13
Other operating income	394	252	56
Operating expenses	(2,681)	(2,642)	1
Administrative expenses	(1,196)	(1,021)	17
Operating profit/(loss)	341	(32)	n.m.
Finance costs	-	(93)	n.m.
Profit/(Loss) before tax	341	(125)	n.m.
Tax	(83)	(43)	93
Profit/(Loss) after tax	258	(168)	n.m.
Attributable to:			
Equity holders of the parent	237	(172)	n.m.
Minority interests	21	4	425
	258	(168)	n.m.

n.m. – not meaningful

Note: Comparative figures have been reclassified to conform to current financial year's presentation.

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

	<b>1Q 2007</b>	<b>1Q 2006</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Depreciation of property, plant and equipment	999	1,111
Interest income	(248)	(73)
Interest expense on bank loans	-	93
Foreign exchange (gain)/loss	(9)	124
Gain on disposal of property, plant and equipment	-	(21)

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

<b>Balance Sheets</b>	<b>Group</b>		<b>Company</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31/03/2007</b>	<b>31/12/2006</b>	<b>31/03/2007</b>	<b>31/12/2006</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Non-current assets</b>				
Property, plant and equipment	58,718	59,536	3,078	3,089
Interest in subsidiaries	-	-	42,945	43,005
Long-term loans to subsidiaries	-	-	3,810	6,818
Intangible assets	180	126	-	-
Deferred tax asset	84	84	-	-
	<b>58,982</b>	<b>59,746</b>	<b>49,833</b>	<b>52,912</b>
<b>Current assets</b>				
Inventories	552	506	-	-
Trade and other receivables	697	684	-	-
Due from subsidiaries	-	-	11,163	11,791
Other current assets	348	231	27	19
Cash and cash equivalents	33,644	32,816	28,650	20,777
	<b>35,241</b>	<b>34,237</b>	<b>39,840</b>	<b>32,587</b>
<b>Total assets</b>	<b>94,223</b>	<b>93,983</b>	<b>89,673</b>	<b>85,499</b>
<b>Equity attributable to equity holders of the Parent</b>				
Share capital	76,985	76,985	76,985	76,985
Reserves	6,828	6,576	8,177	4,040
	<b>83,813</b>	<b>83,561</b>	<b>85,162</b>	<b>81,025</b>
<b>Minority interest</b>	1,692	1,890	-	-
<b>Total equity</b>	<b>85,505</b>	<b>85,451</b>	<b>85,162</b>	<b>81,025</b>
<b>Non-current liabilities</b>				
Borrowings	1,761	1,761	-	-
<b>Current liabilities</b>				
Trade and other payables	2,931	2,716	484	411
Due to subsidiaries	-	-	140	137
Current tax payable	139	129	-	-
Current borrowings	3,887	3,926	3,887	3,926
	<b>6,957</b>	<b>6,771</b>	<b>4,511</b>	<b>4,474</b>
<b>Total liabilities</b>	<b>8,718</b>	<b>8,532</b>	<b>4,511</b>	<b>4,474</b>
<b>Total equity and liabilities</b>	<b>94,223</b>	<b>93,983</b>	<b>89,673</b>	<b>85,499</b>

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

	As at 31/03/2007		As at 31/12/2006	
	<u>Secured</u> S\$'000	<u>Unsecured</u> S\$'000	<u>Secured</u> S\$'000	<u>Unsecured</u> S\$'000
Amount payable in one year or less, or on demand	-	3,887	-	3,926
Amount payable after one year	-	1,761	-	1,761

**Details of collateral**

There were no secured bank loans outstanding as at 31 March 2007 and 31 December 2006.

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

<b>Consolidated Cash Flow Statement</b>	<b>Q1 ended 31/03/2007 S\$'000</b>	<b>Q1 ended 31/03/2006 S\$'000</b>
<b>Operating activities</b>		
Profit/(Loss) before taxation	341	(125)
Adjustments for:		
Depreciation	999	1,111
Gain on disposal of property, plant and equipment	-	(21)
Interest income	(248)	(73)
Interest expense	-	93
Operating cash flow before working capital change	<u>1,092</u>	<u>985</u>
Changes in operating assets and liabilities		
Trade and other receivables	(131)	(290)
Inventories	(45)	(46)
Trade and other payables	(5)	(294)
Cash generated from operations	<u>911</u>	<u>355</u>
Income tax paid	<u>(73)</u>	<u>(377)</u>
Cash flows from operating activities	<u>838</u>	<u>(22)</u>
<b>Investing activities</b>		
Acquisition of property, plant and equipment	(180)	(161)
Payment for intangible assets	(54)	-
Proceeds from disposal of property, plant and equipment	-	40
Interest received	248	73
Cash flows from investing activities	<u>14</u>	<u>(48)</u>
<b>Financing activities</b>		
Interest paid	-	(93)
Cash flow from financing activities	<u>-</u>	<u>(93)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	852	(163)
Cash and cash equivalents at the beginning of the financial period	32,816	32,619
Effects of exchange rate changes on cash and cash equivalents	(24)	28
<b>Cash and cash equivalents at the end of the financial period</b>	<u><u>33,644</u></u>	<u><u>32,484</u></u>

Note: Comparative figures have been reclassified to conform to current financial year's presentation.

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

**(a) Group**

**(i)**

	Interest of shareholders of the Company							
	Share capital	Share premium	Statutory Reserves	Foreign currency translation reserves	Retained earnings	Total	Minority Interest	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>As at 1 January 2007</b>	76,985	-	1,059	(3,359)	8,876	83,561	1,890	85,451
Translation differences relating to financial statements of foreign subsidiaries recognised directly in equity	-	-	-	15	-	15	1	16
Net profit for the period	-	-	-	-	237	237	21	258
Total recognised income/(expense) for the period	-	-	-	15	237	252	22	274
Transfer to statutory reserve	-	-	453	-	(453)	-	-	-
Dividend paid	-	-	-	-	-	-	(220)	(220)
<b>As at 31 March 2007</b>	<b>76,985</b>	<b>-</b>	<b>1,512</b>	<b>(3,344)</b>	<b>8,660</b>	<b>83,813</b>	<b>1,692</b>	<b>85,505</b>

**(ii)**

	Interest of shareholders of the Company							
	Share capital	Share premium	Statutory Reserves	Foreign currency translation reserves	Retained earnings	Total	Minority Interest	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>As at 1 January 2006, previously reported</b>	43,446	33,539	719	(955)	5,607	82,356	2,000	84,356
Effects of adopting FRS 21 (revised)	-	-	-	(231)	231	-	-	-
<b>As at 1 January 2006, restated</b>	43,446	33,539	719	(1,186)	5,838	82,356	2,000	84,356
Translation differences relating to financial statements of foreign subsidiaries recognised directly in equity	-	-	-	(1,085)	-	(1,085)	(48)	(1,133)
Net profit/(loss) for the period	-	-	-	-	(172)	(172)	4	(168)
Total recognised income/(expense) for the period	-	-	-	(1,085)	(172)	(1,257)	(44)	(1,301)
Transfer from share premium account to share capital upon implementation of the Companies (Amendment) Act 2005	33,539	(33,539)	-	-	-	-	-	-
Transfer to statutory reserve	-	-	340	-	(340)	-	-	-
Dividend paid	-	-	-	-	-	-	(225)	(225)
<b>As at 31 March 2006</b>	<b>76,985</b>	<b>-</b>	<b>1,059</b>	<b>(2,271)</b>	<b>5,326</b>	<b>81,099</b>	<b>1,731</b>	<b>82,830</b>

**(b) Company**

**(i)**

	Share capital	Share premium	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2007	76,985	-	4,040	81,025
Net profit for the period	-	-	4,137	4,137
Balance as at 31 March 2007	<b>76,985</b>	<b>-</b>	<b>8,177</b>	<b>85,162</b>

**(ii)**

	Share capital	Share premium	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2006	43,446	33,539	523	77,508
Net profit for the period	-	-	3,955	3,955
Transfer to share capital	33,539	(33,539)	-	-
Balance as at 31 March 2006	<b>76,985</b>	<b>-</b>	<b>4,478</b>	<b>81,463</b>

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

There is no change in the company's share capital since 31 December 2006 to the date of the current reporting period.

**2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The financial statements have not been audited nor reviewed by the Company's auditors.

**3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has applied the same accounting policies and methods of computation used in the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31 December 2006.

**5 If there are any changes in accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

An assessment has been made of the Amendments and Interpretations to the Singapore Financial Reporting Standards ("FRSs") effective from 1 January 2007 and there was no material impact on the Group's results.

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

Earnings per share	Group	
	Q1 ended 31/03/2007	Q1 ended 31/03/2006
(a) Based on the number of ordinary shares on issue (cents)	0.03	-0.02
(b) On fully diluted basis (cents)	0.03	-0.02

Note: Comparative figures have been reclassified to conform to current financial year's presentation.

The calculations of basic earnings per share for the 1Q ended 31 March 2007 and its comparative are based on the net profits attributable to shareholders for the respective periods divided by the share capital of 868,929,580 shares in issue.

Diluted earnings per share are the same as basic earnings per share because there are no diluting shares outstanding during these periods. No share options were granted to any employee during these periods.

**7 Net asset value (for the issuer and group) per ordinary share based on the issued share capital of the issuer at the end of the (a) current period reported and (b) immediately preceding financial year**

**Net asset value per share**

	Group		Company	
	31/03/2007	31/12/2006	31/03/2007	31/12/2006
Net asset value per ordinary share (cents)	9.65	9.62	9.80	9.32

Net asset value per ordinary share was calculated based on the issued share capital of 868,929,580 shares as at 31 March 2007 and 31 December 2006.

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

**Revenue**

In the first quarter of 2007, the Group achieved sales of \$3.8 million, an increase of 13.2% over the same period in FY2006. The Group's flagship, Shanghai Ocean Aquarium ("SOA"), registered a 13.5% increase in visitor arrivals to 202,000, compared to 178,000 visitors in the first quarter of FY2006, mainly due to the increase in walk-in visitors and corporate groups. Apart from the more focused marketing and sales efforts, the FIT price hike from 1<sup>st</sup> March 2007 also contributed to the revenue growth.

**Operational Results**

Expenses increased by \$0.2 million, or 5.8% compared with the same period in FY2006, mainly due to the increase in administrative expenses. Operating expenses increased marginally by 1.4% while administrative expenses increased 17.1%. The increase was due to higher salary cost, increase in depreciation charge, and property tax of 1.2% been levied on the property with effect from February 2007. SOA had enjoyed a property tax waiver for its past 5 years of operations.

No finance cost was incurred in the current quarter under review as the Group had fully repaid the outstanding bank loans in FY2006.

The Group achieved a profit before tax of \$0.34 million for the quarter, compared to a loss before tax of \$0.12 million in 1Q2006.

## **Cash flow Statement**

The Group generated a net cash inflow from operating activities amounting to \$0.84 million in 1Q2007, bringing its cash and cash equivalent balance to \$33.6 million as at 31 March 2007.

### **9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

The Group did not previously disclose to shareholders any forecast or prospect statement with regard to the current quarter under review.

### **10 A commentary at the date of announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

China's gross domestic product ("GDP") growth accelerated to 11.1% year-on-year in the first quarter of 2007. Consumer price index, or CPI, rose 3.3% in March, compared with a year ago and grew by 2.7% in the first quarter, 1.5 percentage points higher than the same period in 2006.

As reported, China will continue to impose measures to further strengthen controls over fixed assets investments and loans, and to boost domestic consumption.

In Shanghai, the economy soared 12.5% in the first three months to 262.5 billion Yuan, on the back of strong growth in the service sector. The city's GDP has grown by double digits for 15 straight years, and is not expected to slowdown sharply in the near future.

The favourable macro conditions augur well for the Group's flagship attraction, Shanghai Ocean Aquarium, and will continue to underpin its performance.

### **11 Dividend**

#### **(a) Current Financial Period Reported on**

Any dividend recommended for the current financial period reported? None

#### **(b) Corresponding Period of the Immediately Preceding Financial Year**

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

### **12 If no dividend is declared/recommended, a statement to that fact.**

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

## **PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

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



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

Not applicable.

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

Not applicable.

**15 Breakdown of sales**

Not applicable.

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

Not applicable.

By order of the Board,

Lotus Isabella Lim Mei Hua  
Company Secretary

**Statement by Directors**  
**Pursuant to SGX Listing Rule 705(4)**

To the best of our knowledge and belief, nothing has come to the attention of the Directors which may render the 1Q2007 financial results to be false or misleading. The financial statements and other information included in this report, present fairly in all material respects the financial condition, results of operations and cash flows of the Group as of, and for, the periods presented in this report.

On behalf of the Board

Wu Hsioh Kwang  
Chairman

Choong Chow Siong  
Director

