

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

Full Year Ended 31 December 2006 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

	4Q ended			Full Year ended		
	31/12/2006	31/12/2005	Change	31/12/2006	31/12/2005	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Sales	3,775	4,254	(11)	18,504	18,135	2
Other operating income	538	383	40	1,724	1,466	18
Operating expenses	(2,811)	(3,011)	(7)	(11,443)	(10,958)	4
Administrative expenses	(1,209)	(1,142)	6	(4,255)	(3,804)	12
Finance costs	1	(134)	(101)	(184)	(859)	(79)
Profit before tax	294	350	(16)	4,346	3,980	9
Income tax expense	(35)	(65)	(46)	(765)	(806)	(5)
Profit after tax	259	285	(9)	3,581	3,174	13
Attributable to:						
Equity holders of the parent	245	274	(11)	3,378	2,974	14
Minority interests	14	11	27	203	200	1
	259	285	(9)	3,581	3,174	13

n.m. – not meaningful

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

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

	4Q ended		Full Year ended	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment	1,080	1,225	4,380	4,431
Government grants	-	(1)	-	(94)
Interest income	(351)	(189)	(904)	(659)
Interest expense on bank loans	(1)	134	184	859
Foreign exchange (gain)/loss	194	44	326	(282)
Gain on disposal of property, plant and equipment	-	-	(20)	-

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

Balance Sheets	Group		Company	
	As at	As at	As at	As at
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	59,536	65,526	3,089	2,715
Interest in subsidiaries	-	-	43,005	44,034
Long-term loans to subsidiaries	-	-	6,818	3,888
Intangible assets	126	-	-	-
Deferred tax assets	84	170	-	-
	<u>59,746</u>	<u>65,696</u>	<u>52,912</u>	<u>50,637</u>
Current assets				
Inventories	506	445	-	-
Trade and other receivables	684	409	-	-
Due from subsidiaries	-	-	11,791	3,774
Other current assets	231	136	19	12
Cash and cash equivalents	32,816	32,619	20,777	27,767
	<u>34,237</u>	<u>33,609</u>	<u>32,587</u>	<u>31,553</u>
Total assets	<u>93,983</u>	<u>99,305</u>	<u>85,499</u>	<u>82,190</u>
Equity attributable to equity holders of the Parent				
Share capital	76,985	43,446	76,985	43,446
Reserves	6,576	38,910	4,040	34,062
	<u>83,561</u>	<u>82,356</u>	<u>81,025</u>	<u>77,508</u>
Minority interest	1,890	2,000	-	-
Total equity	<u>85,451</u>	<u>84,356</u>	<u>81,025</u>	<u>77,508</u>
Non-current liabilities				
Borrowings	1,761	1,850	-	-
Current liabilities				
Trade and other payables	2,716	2,183	411	345
Due to subsidiaries	-	-	137	73
Current tax payable	129	462	-	-
Current borrowings	3,926	10,454	3,926	4,264
	<u>6,771</u>	<u>13,099</u>	<u>4,474</u>	<u>4,682</u>
Total liabilities	<u>8,532</u>	<u>14,949</u>	<u>4,474</u>	<u>4,682</u>
Total equity and liabilities	<u>93,983</u>	<u>99,305</u>	<u>85,499</u>	<u>82,190</u>

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

	As at 31/12/2006		As at 31/12/2005	
	<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	-	3,926	6,190	4,264
Amount payable after one year	-	1,761	-	1,850

Details of collateral

The secured bank loan facilities, undertaken by a subsidiary, have been fully repaid in August 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

Consolidated Cash Flow Statement	Full Year ended 31/12/2006 S\$'000	Full Year ended 31/12/2005 S\$'000
Operating activities		
Profit before taxation	4,346	3,980
Adjustments for:		
Depreciation	4,380	4,431
Gain on disposal of property, plant and equipment	(20)	-
Interest income	(904)	(659)
Interest expense	184	859
Operating cash flow before working capital change	<u>7,986</u>	<u>8,611</u>
Changes in operating assets and liabilities		
Trade and other receivables	(370)	(152)
Inventories	(61)	(4)
Trade and other payables	308	399
Cash generated from operations	<u>7,863</u>	<u>8,854</u>
Income tax paid	<u>(991)</u>	<u>(178)</u>
Cash flows from operating activities	<u>6,872</u>	<u>8,676</u>
Investing activities		
Acquisition of property, plant and equipment	(1,418)	(3,056)
Payments for intangible assets	(126)	-
Proceeds from disposal of property, plant and equipment	69	-
Interest received	904	659
Cash flows from investing activities	<u>(571)</u>	<u>(2,397)</u>
Financing activities		
Repayment of borrowings	(5,917)	(13,557)
Interest paid	(184)	(859)
Cash flows from financing activities	<u>(6,101)</u>	<u>(14,416)</u>
Net increase/(decrease) in cash and cash equivalents	200	(8,137)
Cash and cash equivalents at the beginning of the financial period	32,619	40,657
Effects of exchange rate changes on cash and cash equivalents	(3)	99
Cash and cash equivalents at the end of the financial period	<u>32,816</u>	<u>32,619</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							Total Equity
	Share capital	Share premium	Statutory Reserves	Foreign currency translation reserves	Retained earnings	Total	Minority Interest	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 January 2006, previously reported	43,446	33,539	719	(955)	5,607	82,356	2,000	84,356
Effects of adopting FRS 21 (revised)	-	-	-	(231)	231	-	-	-
As at 1 January 2006, restated	43,446	33,539	719	(1,186)	5,838	82,356	2,000	84,356
Exchange differences on translation of net investments in foreign subsidiaries	-	-	-	(892)	-	(892)	(48)	(940)
Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	(193)	-	(193)	-	(193)
Net losses recognised directly in equity	-	-	-	(1,085)	-	(1,085)	(48)	(1,133)
Net loss for the period	-	-	-	-	(172)	(172)	4	(168)
Total recognised 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)	-	-	-	-	-	-
Dividend from subsidiary	-	-	-	-	-	-	(225)	(225)
As at 31 March 2006	76,985	-	719	(2,271)	5,666	81,099	1,731	82,830
Exchange differences on translation of net investments in foreign subsidiaries	-	-	-	(431)	-	(431)	(21)	(452)
Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	(105)	-	(105)	-	(105)
Net losses recognised directly in equity	-	-	-	(536)	-	(536)	(21)	(557)
Net profit for the period	-	-	-	-	920	920	55	975
Total recognised income/(expense) for the period	-	-	-	(536)	920	384	34	418
As at 30 June 2006	76,985	-	719	(2,807)	6,586	81,483	1,765	83,248
Exchange differences on translation of net investments in foreign subsidiaries	-	-	-	342	-	342	22	364
Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	77	-	77	-	77
Net gains recognised directly in equity	-	-	-	419	-	419	22	441
Net profit for the period	-	-	-	-	2,385	2,385	130	2,515
Total recognised income for the period	-	-	-	419	2,385	2,804	152	2,956
As at 30 September 2006	76,985	-	719	(2,388)	8,971	84,287	1,917	86,204
Exchange differences on translation of net investments in foreign subsidiaries	-	-	-	(796)	-	(796)	(41)	(837)
Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	(175)	-	(175)	-	(175)
Net losses recognised directly in equity	-	-	-	(971)	-	(971)	(41)	(1,012)
Net profit for the period	-	-	-	-	245	245	14	259
Total recognised income/(expense) for the period	-	-	-	(971)	245	(726)	(27)	(753)
Transfer from retained earnings	-	-	340	-	(340)	-	-	-
As at 31 December 2006	76,985	-	1,059	(3,359)	8,876	83,561	1,890	85,451

(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
As at 1 January 2005, previously reported	43,446	33,539	536	(2,432)	2,471	77,560	1,834	79,394
Effects of adopting FRS 21 (revised)	-	-	-	(575)	575	-	-	-
As at 1 January 2005, restated	43,446	33,539	536	(3,007)	3,046	77,560	1,834	79,394
Exchange differences on translation of net investments in foreign subsidiaries	-	-	-	297	-	297	15	312
Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	69	-	69	-	69
Net gains recognised directly in equity	-	-	-	366	-	366	15	381
Net loss for the period	-	-	-	-	(379)	(379)	(4)	(383)
Total recognised income/(expense) for the period	-	-	-	366	(379)	(13)	11	(2)
Dividend from subsidiary	-	-	-	-	-	-	(111)	(111)
As at 31 March 2005	43,446	33,539	536	(2,641)	2,667	77,547	1,734	79,281
Exchange differences on translation of net investments in foreign subsidiaries	-	-	-	717	-	717	37	754
Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	171	-	171	-	171
Net gains recognised directly in equity	-	-	-	888	-	888	37	925
Net profit for the period	-	-	-	-	1,053	1,053	68	1,121
Total recognised income for the period	-	-	-	888	1,053	1,941	105	2,046
As at 30 June 2005	43,446	33,539	536	(1,753)	3,720	79,488	1,839	81,327
Exchange differences on translation of net investments in foreign subsidiaries	-	-	-	919	-	919	49	968
Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	198	-	198	-	198
Net gains recognised directly in equity	-	-	-	1,117	-	1,117	49	1,166
Net profit for the period	-	-	-	-	2,027	2,027	125	2,152
Total recognised income for the period	-	-	-	1,117	2,027	3,144	174	3,318
As at 30 September 2005	43,446	33,539	536	(636)	5,747	82,632	2,013	84,645
Exchange differences on translation of net investments in foreign subsidiaries	-	-	-	(456)	-	(456)	(24)	(480)
Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	(94)	-	(94)	-	(94)
Net losses recognised directly in equity	-	-	-	(550)	-	(550)	(24)	(574)
Net profit for the period	-	-	-	-	274	274	11	285
Total recognised income/(expense) for the period	-	-	-	(550)	274	(276)	(13)	(289)
Transfer from retained earnings	-	-	183	-	(183)	-	-	-
As at 31 December 2005	43,446	33,539	719	(1,186)	5,838	82,356	2,000	84,356

(b) Company

(i)

	Share capital S\$'000	Share premium S\$'000	Retained earnings S\$'000	Total 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	76,985	-	4,478	81,463
Net loss for the period	-	-	(96)	(96)
Balance as at 30 June 2006	76,985	-	4,382	81,367
Net profit for the period	-	-	53	53
Balance as at 30 September 2006	76,985	-	4,435	81,420
Net loss for the period	-	-	(395)	(395)
Balance as at 31 December 2006	76,985	-	4,040	81,025

(ii)

	Share capital S\$'000	Share premium S\$'000	Retained earnings/ (accumulated losses) S\$'000	Total S\$'000
Balance as at 1 January 2005	43,446	33,539	(1,295)	75,690
Net profit for the period	-	-	1,968	1,968
Balance as at 31 March 2005	43,446	33,539	673	77,658
Net profit for the period	-	-	10	10
Balance as at 30 June 2005	43,446	33,539	683	77,668
Net loss for the period	-	-	(11)	(11)
Balance as at 30 September 2005	43,446	33,539	672	77,657
Net loss for the period	-	-	(149)	(149)
Balance as at 31 December 2005	43,446	33,539	523	77,508

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

On the date of commencement of the Companies (Amendment) Act 2005 on 30 January 2006:

- (a) The concept of authorized share capital is abolished;
- (b) Shares of the Company has no par value; and
- (c) The amount standing to the credit of the Company's share premium account becomes part of Company's share capital.

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

Except as disclosed in item 5 below, 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 2005.

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 2006 and there was no material impact on the Group's results, except for the adoption of the amendments to the FRS 21(revised) "*The Effects of Changes in Foreign Exchange Rates*". Exchange gains/losses arising from quasi-equity loans for 4Q2006 and the full year ended 31 December 2006 and their comparatives has been taken to foreign currency translation reserves at the Group level.

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	Q4 ended		Full Year ended	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
(a) Based on the number of ordinary shares on issue (cents)	0.03	0.03	0.39	0.34
(b) On fully diluted basis (cents)	0.03	0.03	0.39	0.34

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

The calculations of basic earnings per share for the 4Q and the full year ended 31 December 2006 and their comparatives 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	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Net asset value per ordinary share (cents)	9.62	9.48	9.32	8.92

Net asset value per ordinary share was calculated based on the issued share capital of 868,929,580 shares as at 31 December 2006 and 31 December 2005.

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 fourth quarter of 2006, the Group achieved sales of \$3.8m, a decrease of 11% over the same period in FY2005. The Group's flagship, Shanghai Ocean Aquarium ("SOA"), registered a 5.4% decrease in visitor arrivals to 219,000, compared to 232,000 visitors in the fourth quarter of FY2005, mainly due to the decline in walk-in visitors during the October golden week, as well as affected by the inclement weather for most part of the quarter. This Golden week saw visitor numbers declined 20% over the corresponding period in 2005, affected by the wet weather during the first 2 days of the holiday period, as well as competition from a new attraction in the nearby Century Park.

Overall revenue for FY2006 amounted to \$18.5 million, a marginal increase of 2% compared to the same period of FY2005. Visitor arrivals to SOA were 1.2% higher than FY2005.

Operational Results

Operating expenses and administrative expenses for 4Q2006 decreased by \$133,000 in total, or 3.2% compared with the same period in FY2005. Operating expenses decreased by \$200,000, or 7%, as variable cost decreased in line with the lower revenue, as well as savings in advertising and promotion expenses, utilities cost etc. Administrative expenses increased by \$67,000, or 6%. The increase in administrative expenses over the corresponding period was mainly due to higher exchange loss recognised in 4Q2006, as the Singapore currency strengthened against the Renminbi currency during the period.

As the Group has fully repaid the outstanding bank loan, no finance cost was incurred in the current quarter under review.

The Group achieved a profit before tax of \$0.29 million for the quarter, compared to a profit before tax of \$0.35 million for 4Q2005, reflecting a decrease of 16%.

Cash flow Statement

The Group generated a net cash inflow from operating activities amounting to \$6.9 million in FY2006 and had fully repaid the remaining bank loan of approximately \$5.9 million during the year. As at 31 December 2006, the Group has cash and cash equivalent balance amounting to \$32.8 million.

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

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

10 A commentary at the date of 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, the world's No. 4 economy, grew 10.7% last year, its fastest pace in over a decade, with its GDP reaching 20.9 trillion Yuan. Inflation also accelerated, as consumer prices climbed 2.8% in December 2006, the highest in nearly two years.

The momentum is very strong for the Chinese economy, despite all the tightening measures that had taken place since April last year. The Chinese government is taking measures to cool off an investment boom and reduce China's reliance on exports by boosting domestic consumption.

Shanghai, having bypassed the 6 million mark for overseas tourists last year, has set its sights on attracting 10 million in 2010 when it will host the World Expo. The city has played host to nearly 500 international conferences and 300 international expos last year. In order to realise its goals for 2010, the city will exert great efforts to tap the potential markets in Europe, America, Oceania and Asia by holding promotional conferences in target countries. The city will also cooperate more with Shanghai-based and foreign-funded travel agencies. It will also lift restrictions on foreign travel agencies planning to open subsidiaries in China and lower the registered capital requirement for foreign-funded travel agencies to 2.5 million Yuan from 4 million Yuan on July 1.

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? Yes

Name of Dividend	First & Final (One-tier)
Dividend Type	Cash
Dividend Rate	0.25 cent per ordinary share
Tax Rate	Tax Exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date Payable

To be announced.

(d) Books closure date

To be announced.

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

Not Applicable

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

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

The assets and operations of the Group are primarily located in the People's Republic of China.

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

	2006 S\$'000 (Actual)	2005 S\$'000 (Actual)	Increase/ (Decrease) %
(a) Sales reported for first half year	8,097	7,712	5%
(b) Operating profit after tax before deducting minority interests reported for first half year	807	738	9%
(c) Sales reported for second half year	10,407	10,423	0%
(d) Operating profit after tax before deducting minority interests reported for second half year	2,774	2,436	14%

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

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

	Latest Full Year S\$'000	Previous Full Year S\$'000
Ordinary	<u>2,172</u>	<u>-</u>

By order of the Board,

Lotus Isabella Lim Mei Hua
Company Secretary