

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

FULL YEAR ENDED 31 DECEMBER 2019 UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

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

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

INCOME STATEMENT

	4Q ended			Full Year ended		
	31/12/2019	31/12/2018	Change	31/12/2019	31/12/2018	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	14,725	22,326	(34.0)	108,835	117,880	(7.7)
Other income	1,730	1,726	0.2	7,409	6,929	6.9
Less:						
Depreciation and amortisation expense	(2,383)	(2,358)	1.1	(10,652)	(9,636)	10.5
Changes in inventories and purchases of goods	510	(629)	n.m.	(2,012)	(2,965)	(32.1)
Consultancy expense	(291)	(430)	(32.3)	(1,045)	(924)	13.1
Sales and marketing expenses	(526)	(528)	(0.4)	(1,779)	(2,239)	(20.5)
Exchange (losses)/ gains	(268)	23	n.m.	(957)	(1,078)	(11.2)
Loss on disposal of property, plant and equipment	(7)	(258)	(97.3)	(32)	(922)	(96.5)
Operating lease expense	(556)	(1,393)	(60.1)	(3,850)	(7,157)	(46.2)
Property and other taxes	(267)	(444)	(39.9)	(1,501)	(1,783)	(15.8)
Repair and maintenance expenses	(1,437)	(652)	120.4	(4,858)	(4,553)	6.7
Staff cost	(5,782)	(6,126)	(5.6)	(23,516)	(23,187)	1.4
Utilities expense	(562)	(599)	(6.2)	(2,663)	(2,684)	(0.8)
Other operating expenses	(587)	(498)	17.9	(2,141)	(1,855)	15.4
Other administrative expenses	(516)	(503)	2.6	(2,127)	(2,129)	(0.1)
Operating profit	3,783	9,657	(60.8)	59,111	63,697	(7.2)
Finance costs	(1,086)	(395)	174.9	(2,571)	(1,225)	109.9
Profit before income tax	2,697	9,262	(70.9)	56,540	62,472	(9.5)
Tax expense	(904)	(2,788)	(67.6)	(16,212)	(18,335)	(11.6)
Profit for the period	1,793	6,474	(72.3)	40,328	44,137	(8.6)
Profit attributable to:						
Owners of the Company	1,744	6,039	(71.1)	38,090	41,835	(9.0)
Non-controlling interests	49	435	(88.7)	2,238	2,302	(2.8)
Profit for the period	1,793	6,474	(72.3)	40,328	44,137	(8.6)

STATEMENT OF COMPREHENSIVE INCOME

	4Q ended			Full Year ended		
	31/12/2019	31/12/2018	Change	31/12/2019	31/12/2018	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period	1,793	6,474	(72.3)	40,328	44,137	(8.6)
Other comprehensive income for the period, net of tax						
Translation differences relating to financial statements of foreign subsidiaries	(684)	307	n.m.	(4,605)	(3,877)	18.8
Other comprehensive income for the period, net of tax	(684)	307	n.m.	(4,605)	(3,877)	18.8
Total comprehensive income for the period	1,109	6,781	(83.6)	35,723	40,260	(11.3)
Total comprehensive income attributable to:						
Owners of the Company	1,082	6,334	(82.9)	33,642	38,103	(11.7)
Non-controlling interests	27	447	(94.0)	2,081	2,157	(3.5)
Total comprehensive income for the period	1,109	6,781	(83.6)	35,723	40,260	(11.3)

n.m. – not meaningful

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

	4Q ended		Full Year ended	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation expenses	2,279	2,205	10,090	9,026
Amortisation of intangible assets	104	153	562	610
Interest income	(1,355)	(1,347)	(5,311)	(4,700)
Interest expense	1,086	395	2,571	1,225
Foreign exchange losses/ (gains)	268	(23)	957	1,078
Loss on disposal of property, plant and equipment	7	258	32	922
Government grant	(20)	(25)	(132)	(173)

Notes:

1. Depreciation expenses comprise depreciation of property, plant and equipment and depreciation of investment property.
2. Interest income is mainly from fixed deposits placed with financial institutions.
3. Interest expense is mainly attributable to the long-term bank borrowing for the purpose of acquiring the assets of Singapore Flyer, as well as the interest on finance lease arising from the adoption of SFRS(I) 16 with effect from 1 January 2019.
4. Foreign exchange losses arise mainly due to the movement of Renminbi against Singapore Dollars.

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

	Group		Company	
	As at	As at	As at	As at
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	175,676	113,540	1,968	2,024
Investment property	24,059	45,761	-	-
Investments in subsidiaries	-	-	76,071	76,071
Loans and advances to subsidiaries	-	-	26,750	26,750
Intangible assets	1,494	1,978	-	-
	201,229	161,279	104,789	104,845
Current assets				
Inventories	2,252	2,196	-	-
Trade and other receivables	4,380	5,824	53	40
Loans and receivables from subsidiaries	-	-	416	488
Other current assets	766	988	28	27
Fixed deposits pledged	1,000	1,000	-	-
Cash and cash equivalents	199,452	201,695	49,185	46,075
	207,850	211,703	49,682	46,630
Total assets	409,079	372,982	154,471	151,475
Equity attributable to owners of the Company				
Share capital	76,985	76,985	76,985	76,985
Reserves	11,069	13,827	4,483	2,901
Retained earnings	200,370	192,632	71,533	70,039
	288,424	283,444	153,001	149,925
Non-controlling interests	12,013	11,856	-	-
Total equity	300,437	295,300	153,001	149,925
Non-current liabilities				
Borrowings	13,900	25,900	-	-
Finance lease liabilities	43,092	-	-	-
Deferred income	150	188	-	-
Deferred tax liabilities	22,299	21,456	-	-
Provision for reinstatement cost	5,826	5,184	-	-
	85,267	52,728	-	-
Current liabilities				
Trade and other payables	8,866	10,729	823	958
Amounts due to subsidiaries	-	-	494	507
Current tax liabilities	1,493	2,225	153	85
Finance lease liabilities	1,016	-	-	-
Current borrowings	12,000	12,000	-	-
	23,375	24,954	1,470	1,550
Total liabilities	108,642	77,682	1,470	1,550
Total equity and liabilities	409,079	372,982	154,471	151,475

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

	As at 31/12/2019		As at 31/12/2018	
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Amount payable in one year or less, or on demand	12,000	-	12,000	-
Amount payable after one year	11,000	2,900	23,000	2,900

Details of any collateral

The borrowings are secured by fixed and floating charges over certain assets of a subsidiary as well as corporate guarantee from the Company.

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

CONSOLIDATED STATEMENT OF CASH FLOWS				
	Q4 ended 31/12/2019	Q4 ended 31/12/2018	Full Year ended 31/12/2019	Full Year ended 31/12/2018
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit before income tax	2,697	9,262	56,540	62,472
Adjustments for:				
Depreciation and amortisation expenses	2,383	2,358	10,652	9,636
Equity-settled share-based payment transactions	57	181	513	740
Loss on disposal of property, plant and equipment	7	258	32	922
Government grant utilised	(20)	(16)	(72)	(59)
Interest income	(1,355)	(1,347)	(5,311)	(4,700)
Interest expense	1,086	395	2,571	1,225
Exchange losses	296	21	926	1,157
Operating profit before working capital changes	5,151	11,112	65,851	71,393
Changes in working capital:				
Trade and other receivables	1,959	353	1,884	(1,575)
Inventories	39	(35)	(90)	(136)
Trade and other payables	(3,286)	(1,826)	(1,421)	(259)
Cash generated from operating activities	3,863	9,604	66,224	69,423
Interest paid on lease liability	(786)	-	(1,543)	-
Income taxes paid	(6,818)	(7,308)	(16,057)	(17,989)
Net cash from/ (used in) operating activities	(3,741)	2,296	48,624	51,434
Cash flows from investing activities				
Purchase of property, plant and equipment	(2,726)	(2,158)	(5,646)	(4,231)
Payment for intangible assets	-	-	(80)	-
Government grant received	-	-	39	-
Proceeds from disposal of property, plant and equipment	-	1	1	2
Interest received	939	1,316	4,507	5,359
Net cash from/ (used in) investing activities	(1,787)	(841)	(1,179)	1,130
Cash flows from financing activities				
Dividend paid to owners of company	-	-	(30,244)	(21,555)
Dividend paid to non-controlling interests	-	-	(1,899)	(1,790)
Repurchase of own shares	(904)	(158)	(981)	(1,275)
Proceeds from exercise of share options	-	-	2,050	528
Repayment of borrowings	(3,000)	(3,000)	(12,000)	(12,000)
Repayment of lease liability	156	-	(994)	-
Interest paid	(181)	(268)	(925)	(1,086)
Net cash used in financing activities	(3,929)	(3,426)	(44,993)	(37,178)
Net increase/ (decrease) in cash and cash equivalents	(9,457)	(1,971)	2,452	15,386
Cash and cash equivalents at beginning of the period	209,580	203,149	201,695	190,414
Effects of exchange rate fluctuations	(671)	517	(4,695)	(4,105)
Cash and cash equivalents at end of the period	199,452	201,695	199,452	201,695

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

(a) Group

(i)

	Share capital	Treasury shares	Capital reserve	Share option reserve	General reserve	Foreign currency translation reserve	Retained earnings	Total attributable to owners of the Company	Non-controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2019	76,985	(4,547)	(1,377)	8,825	16,412	(5,486)	192,632	283,444	11,856	295,300
Changes in equity for the period:										
Share-based payment transactions	-	-	-	182	-	-	-	182	-	182
Total comprehensive income for the period	-	-	-	-	-	2,098	8,506	10,604	581	11,185
At 31 March 2019	76,985	(4,547)	(1,377)	9,007	16,412	(3,388)	201,138	294,230	12,437	306,667
Changes in equity for the period:										
Share-based payment transactions	-	-	-	114	-	-	-	114	-	114
Treasury shares reissued	-	1,901	149	-	-	-	-	2,050	-	2,050
Transfer to general reserve fund	-	-	-	-	108	-	(108)	-	-	-
Dividend paid of 3.50 cents per share	-	-	-	-	-	-	(30,244)	(30,244)	-	(30,244)
Dividend to non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	(102)	(102)
Total comprehensive income for the period	-	-	-	-	-	(3,760)	9,006	5,246	418	5,664
At 30 June 2019	76,985	(2,646)	(1,228)	9,121	16,520	(7,148)	179,792	271,396	12,753	284,149
Changes in equity for the period:										
Purchase of own shares	-	(77)	-	-	-	-	-	(77)	-	(77)
Share-based payment transactions	-	-	-	161	-	-	-	161	-	161
Dividend to non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	(1,822)	(1,822)
Total comprehensive income for the period	-	-	-	-	-	(2,124)	18,834	16,710	1,055	17,765
At 30 September 2019	76,985	(2,723)	(1,228)	9,282	16,520	(9,272)	198,626	288,190	11,986	300,176
Changes in equity for the period:										
Purchase of own shares	-	(904)	-	-	-	-	-	(904)	-	(904)
Share-based payment transactions	-	-	-	56	-	-	-	56	-	56
Total comprehensive income for the period	-	-	-	-	-	(662)	1,744	1,082	27	1,109
At 31 December 2019	76,985	(3,627)	(1,228)	9,338	16,520	(9,934)	200,370	288,424	12,013	300,437

(ii)

	Share capital	Treasury shares	Capital reserve	Share option reserve	General reserve	Foreign currency translation reserve	Retained earnings	Total attributable to owners of the Company	Non-controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2018	76,985	(4,195)	(982)	8,085	16,304	(1,754)	172,460	266,903	11,489	278,392
Changes in equity for the period:										
Share-based payment transactions	-	-	-	192	-	-	-	192	-	192
Transfer to general reserve fund	-	-	-	-	77	-	(77)	-	-	-
Dividend to non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	(73)	(73)
Total comprehensive income for the period	-	-	-	-	-	3,094	3,554	6,648	67	6,715
At 31 March 2018	76,985	(4,195)	(982)	8,277	16,381	1,340	175,937	273,743	11,483	285,226
Changes in equity for the period:										
Purchase of own shares	-	(653)	-	-	-	-	-	(653)	-	(653)
Share-based payment transactions	-	-	-	185	-	-	-	185	-	185
Treasury shares reissued	-	923	(395)	-	-	-	-	528	-	528
Transfer to general reserve fund	-	-	-	-	31	-	(31)	-	-	-
Dividend paid of 2.50 cents per share	-	-	-	-	-	-	(21,555)	(21,555)	-	(21,555)
Dividend to non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	(1,717)	(1,717)
Total comprehensive income for the period	-	-	-	-	-	(1,874)	10,825	8,951	548	9,499
At 30 June 2018	76,985	(3,925)	(1,377)	8,462	16,412	(534)	165,176	261,199	10,314	271,513
Changes in equity for the period:										
Purchase of own shares	-	(464)	-	-	-	-	-	(464)	-	(464)
Share-based payment transactions	-	-	-	182	-	-	-	182	-	182
Total comprehensive income for the period	-	-	-	-	-	(5,247)	21,417	16,170	1,095	17,265
At 30 September 2018	76,985	(4,389)	(1,377)	8,644	16,412	(5,781)	186,593	277,087	11,409	288,496
Changes in equity for the period:										
Purchase of own shares	-	(158)	-	-	-	-	-	(158)	-	(158)
Share-based payment transactions	-	-	-	181	-	-	-	181	-	181
Total comprehensive income for the period	-	-	-	-	-	295	6,039	6,334	447	6,781
At 31 December 2018	76,985	(4,547)	(1,377)	8,825	16,412	(5,486)	192,632	283,444	11,856	295,300

(b) Company

(i)

	Share capital	Treasury shares	Capital reserve	Share option reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2019	76,985	(4,547)	(1,377)	8,825	70,039	149,925
Share-based payment transactions	-	-	-	182	-	182
Total comprehensive income/ (loss) for the period	-	-	-	-	(30)	(30)
At 31 March 2019	76,985	(4,547)	(1,377)	9,007	70,009	150,077
Share-based payment transactions	-	-	-	114	-	114
Treasury shares reissued	-	1,901	149	-	-	2,050
Dividend paid of 3.50 cents per share	-	-	-	-	(30,244)	(30,244)
Total comprehensive income/ (loss) for the period	-	-	-	-	1,064	1,064
At 30 June 2019	76,985	(2,646)	(1,228)	9,121	40,829	123,061
Purchase of own shares	-	(77)	-	-	-	(77)
Share-based payment transactions	-	-	-	161	-	161
Total comprehensive income/ (loss) for the period	-	-	-	-	31,424	31,424
At 30 September 2019	76,985	(2,723)	(1,228)	9,282	72,253	154,569
Purchase of own shares	-	(904)	-	-	-	(904)
Share-based payment transactions	-	-	-	56	-	56
Total comprehensive income/ (loss) for the period	-	-	-	-	(720)	(720)
As at 31 December 2019	76,985	(3,627)	(1,228)	9,338	71,533	153,001

(ii)

	Share capital	Treasury shares	Capital reserve	Share option reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2018	76,985	(4,195)	(982)	8,085	48,655	128,548
Share-based payment transactions	-	-	-	192	-	192
Total comprehensive income/ (loss) for the period	-	-	-	-	771	771
At 31 March 2018	76,985	(4,195)	(982)	8,277	49,426	129,511
Purchase of own shares	-	(653)	-	-	-	(653)
Share-based payment transactions	-	-	-	185	-	185
Treasury shares reissued	-	923	(395)	-	-	528
Dividend paid of 2.50 cents per share	-	-	-	-	(21,555)	(21,555)
Total comprehensive income/ (loss) for the period	-	-	-	-	44,547	44,547
At 30 June 2018	76,985	(3,925)	(1,377)	8,462	72,418	152,563
Purchase of own shares	-	(464)	-	-	-	(464)
Share-based payment transactions	-	-	-	182	-	182
Total comprehensive income/ (loss) for the period	-	-	-	-	(1,751)	(1,751)
At 30 September 2018	76,985	(4,389)	(1,377)	8,644	70,667	150,530
Purchase of own shares	-	(158)	-	-	-	(158)
Share-based payment transactions	-	-	-	181	-	181
Total comprehensive income/ (loss) for the period	-	-	-	-	(628)	(628)
As at 31 December 2018	76,985	(4,547)	(1,377)	8,825	70,039	149,925

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the

number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Pursuant to the Share Buy-back Mandate approved by shareholders, the Company purchased a total of 1,333,900 shares by way of on-market purchases for a total consideration of \$904,000 (including transaction costs) in 4Q2019. These shares purchased were made out of the Company's capital and held as treasury shares.

The Company's issued and fully paid up shares as at 31 December 2019 comprised 862,679,580 (31 December 2018: 860,654,280) ordinary shares and 6,250,000 (31 December 2018: 8,275,300) treasury shares.

No share options were exercised in 4Q2019. As at 31 December 2019, options to subscribe for 25,690,000 (31 December 2018: 25,978,000) ordinary shares remain outstanding.

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

	As at 31/12/2019	As at 31/12/2018
Total number of issued shares	868,929,580	868,929,580
Less: Treasury shares	(6,250,000)	(8,275,300)
Total number of issued shares excluding treasury shares	862,679,580	860,654,280

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Treasury shares	No. of shares	S\$'000
Balance as at 30/09/2019	4,916,100	2,723
No. of shares purchased	1,333,900	904
Balance as at 31/12/2019	6,250,000	3,627

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The financial statements have not been audited or reviewed by the Company's auditors.

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

Not applicable.

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

The accounting policies and methods of computation in the preparation of the financial statements for the current reporting period are consistent with those of the audited financial statements for the financial year ended 31 December 2018, except as disclosed in paragraph 5 below.

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

The Group have adopted the following new SFRS(I)s from the financial year beginning 1 January 2019:

- SFRS(I) 16 *Leases*
- SFRS (I) INT 23 *Uncertainty over Income Tax Treatments*

In adopting SFRS(I) 16, the Group has applied the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised, except for short-term leases and leases of low value assets.

The adoption of SFRS(I) 16 resulted in adjustments to the balance sheet of the Group as at 1 January 2019. The differences from the balance sheet as previously reported at 31 December 2018 are as follows:

	1 January 2019 S\$'000	Group 31 December 2018 S\$'000
Increase/ (Decrease) in:		
<u>Statement of Financial Position</u>		
Right-of-use asset	45,522	-
Finance lease liabilities	45,351	-

The adoption of SFRS(I) INT 23 is assessed to have no material impact on the Group's financial statements.

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

Earnings per share	Q4 ended		Full Year ended	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
(a) Based on the number of ordinary shares in issue (cents)	0.20	0.70	4.41	4.86
(b) On fully diluted basis (cents)	0.20	0.70	4.41	4.85

The calculation of basic earnings per share for 4Q and full year ended 31 December 2019 are based on the net profits attributable to shareholders for the 4Q and full year ended 31 December 2019 divided by the weighted average number of ordinary shares outstanding of 863,678,048 and 863,054,436 respectively.

The calculation of basic earnings per share for 4Q and full year ended 31 December 2018 are based on the net profits attributable to shareholders for the 4Q and full year ended 31 December 2018 divided by the weighted average number of ordinary shares outstanding of 860,759,335 and 860,961,336 respectively.

The calculation of diluted earnings per share for 4Q and full year ended 31 December 2019 are based on the net profits attributable to shareholders for the 4Q and full year ended 31 December 2019 divided by the weighted average number of ordinary shares outstanding after

adjustment for the effects of all dilutive potential ordinary shares of 864,097,993 and 863,936,132 respectively.

The calculation of diluted earnings per share for 4Q and full year ended 31 December 2018 are based on the net profits attributable to shareholders for the 4Q and full year ended 31 December 2018 divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 861,989,924 and 862,862,536 respectively.

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

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Net asset value per ordinary share (cents) based on number of issued shares excluding treasury shares at the end of:	33.43	32.93	17.74	17.42

Net asset value per ordinary share was calculated based on 862,679,580 ordinary shares issued (excluding treasury shares) as at 31 December 2019 and 860,654,280 ordinary shares issued (excluding treasury shares) as at 31 December 2018.

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

Revenue

In the fourth quarter of FY2019, the Group achieved sales of \$14.73 million, 34% lower than the corresponding period in 4Q2018, mainly attributable to lower revenue generated by our two aquariums, Shanghai Ocean Aquarium ("SOA") and Underwater World Xiamen ("UWX") as visitor numbers declined, as well as lower revenue from Singapore Flyer this quarter compared to 4Q2018, as rides on Singapore Flyer were suspended since late November 2019 due to a minor technical issue involving a spoke cable. The weaker Renminbi this year also impacted on our Group's revenue when translated to Singapore Dollars.

Overall visitation to all our attractions was 693,000 visitors for the quarter, 26.8% lower than the corresponding period in 4Q2018, attributable to decreased visitor arrivals to our two aquariums and Singapore Flyer.

Cumulatively, overall revenue for the full year of FY2019 amounted to \$108.84 million, 7.7% lower than FY2018.

Operational Results

Total expenses (excluding finance cost) for 4Q2019 was 12.67 million, 12% lower than 4Q2018. Depreciation and amortization expense increased, mainly attributable to the depreciation of the right-of-use assets for the land leased by Singapore Flyer and UWX arising from the adoption of the new SFRS(I) 16 Leases starting this year; correspondingly, operating lease expense decreased. Exchange loss of \$0.27 million was recorded this quarter, as Renminbi currency weakened further against Singapore dollar. Loss on disposal of property, plant and equipment decreased substantially, as 4Q2018 amount was mainly due to certain demolition work being carried out at Singapore Flyer site. Repair and maintenance expenses were \$1.44 million for the quarter, mainly due to higher expenses at Singapore Flyer, and also 4Q2018 repair and maintenance expenses were significantly lower due to reclassification adjustment to capitalize the cost of new shafts at Singapore Flyer. Other operating expenses increased, mainly due to higher insurance premium and losses incurred by Singapore Flyer associated with online transactions, partially offset by lower packaging expenses incurred by Singapore Flyer.

Finance cost for 4Q2019 increased substantially over corresponding period, mainly due to the interest expense on finance lease recognised following the adoption of SFRS(I) 16 starting 1 January 2019, partly offset by lower loan interest incurred by Singapore Flyer on lower principal amount outstanding.

Profit before tax was \$2.70 million for the current quarter, 70.9% lower than the profit before tax of \$9.26 million for 4Q2018, mainly due to the lower profit reported by SOA and UWX as well as losses incurred by Singapore Flyer in the current quarter arising from the rides suspension since late November 2019.

Balance Sheet items

Property, plant and equipment increased 54.7% from \$113.54 million at 31 December 2018 to \$175.68 million at 31 December 2019, mainly due to the reclassification of carpark and owner-occupied area at Singapore Flyer from Investment property to property, plant and equipment, as well as the right-of-use assets accounted for in the current period.

Investment property decreased 47.4% from \$45.76 million at 31 December 2018 to \$24.06 million at 31 December 2019, mainly due to the reclassification of carpark and owner-occupied area as mentioned above.

Intangible assets decreased 24.5% from \$1.98 million at 31 December 2018 to \$1.49 million at 31 December 2019, mainly due to the amortization of intangible assets for the period.

Trade and other receivables decreased 24.8% from \$5.82 million at 31 December 2018 to \$4.38 million at 31 December 2019, mainly due to decrease in trade receivables at SOA, UWX and Singapore Flyer, as business volume with travel agencies decreased, and decrease in other receivables as SOA has received refund from the tax authority for the value-added tax on ticket revenue paid previously in 2018, partially offset by higher interest receivable on fixed deposits

Other current assets decreased 22.5% from \$0.99 million at 31 December 2018 to \$0.77 million at 31 December 2019, mainly due to decrease in prepayments.

Reserves decreased 19.9% from \$13.83 million at 31 December 2018 to \$11.07 million at 31 December 2019, mainly due to translation loss of \$4.45 million arising from the weaker RMB currency against SGD at the end of current period compared to the end of last year, net decrease in treasury shares from share buyback of \$0.98 million and treasury shares reissued of \$1.90 million, gain on treasury shares reissued of \$0.15 million; partially offset by increase in share option reserves of \$0.51 million during the period arising from share options granted in 2018 and 2019 and increase in general reserve of \$0.11 million.

Deferred income decreased 20.2% from \$0.19 million at 31 December 2018 to \$0.15 million at 31 December 2019, due to the periodic recognition of deferred income to profit & loss in the current period, partially offset by certain productivity grant (managed by e2i) received by Singapore Flyer in the current period.

Provision for reinstatement cost increased 12.4% from \$5.18 million at 31 December 2018 to \$5.83 million at 31 December 2019, mainly due to the revised reinstatement cost and the revision of discount rate used to reflect the current market assessments of the time value of money, as well as the periodic recognition of interest expense for re-instatement cost.

Trade and other payables decreased 17.4% from \$10.73 million at 31 December 2018 to \$8.87 million at 31 December 2019, mainly due to decrease in trade and other payables at SOA and Singapore Flyer and decrease in other payables at UWX.

Current tax liabilities decreased 32.9% from \$2.23 million at 31 December 2018 to \$1.49 million at 31 December 2019, mainly due to the provision of income taxes for 4Q2019 profits at our China subsidiaries, partially offset by the payments of 4Q2018 income taxes of China subsidiaries and 2018 (YA2019) income taxes of Singapore entities in the current period.

Cash Flow Statement

The Group generated net cash from operating activities amounting to \$48.62 million for FY2019, compared to \$51.43 million generated in FY2018. During the year, the Group used \$32.14 million to pay out dividends and \$12.93 million to repay borrowings and paid interest on loan. The Company used \$0.98 million to buy back 1,434,700 of its own shares from the open market and received \$2.05 million from the exercises of 3,460,000 share options. As at 31 December 2019, the Group's cash and cash equivalent balance amounted to \$199.45 million.

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

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

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

The National Bureau of Statistics of China reported that China's economy showed signs of stabilising in the last quarter of 2019, as gross domestic product ("GDP") grew 6.0% year-on-year in 4Q2019, same as the previous quarter in 3Q2019. For the full year, the economy grew 6.1% in 2019, in line with the government's target.

In Singapore, the economy expanded by 0.8% year-on-year in 4Q2019, based on advance estimates from the Ministry of Trade and Industry, as the manufacturing sector contracted 2.1% while construction and services-producing industries expanded 2.1% and 1.4% respectively. For the whole of 2019, the economy expanded 0.7% year-on-year, the slowest growth rate since 2009.

With the outbreak of the COVID-19 virus across China, and the measures taken by the Chinese authorities to contain the spread, the tourism industry is expected to be adversely affected. The Company had previously announced the closure of its three attractions, namely Shanghai

Ocean Aquarium, Underwater World Xiamen and Lixing Cable Car, in China since 25 January 2020, first on a voluntary basis and subsequently in conformance with the authorities' directive to prevent the spread of the highly infectious COVID-19. Given that this outbreak continues to be an evolving development, there is a material uncertainty as to the duration and extent of the curbs imposed on travel, as well as closure of the Company's attractions in China. Even after the curbs are lifted and the Company's attractions reopens, it is uncertain as to when tourists and visitors to the Company's attractions in China will reach pre-COVID-19 levels. In view of the foregoing factors, there is a material risk that the Group's financial performance for the current financial year will be materially adversely affected.

In addition, the suspension of ride operations of the Singapore Flyer since late November 2019 due to a minor technical issue involving a spoke cable is expected to also weigh on the performance of the subsidiary. Though the Company has in place insurance coverage for Property All Risk and Business Interruptions due to Machinery Breakdown, the amount of recoverable lost revenue will still be subject to an insurance claim.

Notwithstanding, the Company, having assessed its current financial position and barring any unforeseen circumstances, is confident that it can ride over these events as aforesaid.

11. Dividend

(a) Current Financial Period Reported On

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

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

Name of Dividend	First & Final (One-tier)
Dividend Type	Cash
Dividend Amount per Share (in cents)	2.50 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? Yes

Name of Dividend	First & Final (One-tier)	Special (One-tier)
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	2.50 cent per ordinary share	1.00 cent per ordinary share
Tax Rate	Tax Exempt	Tax Exempt

(c) Date payable

To be announced.

(d) Books closure date

To be announced.

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

Not applicable.

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

No IPT mandate has been obtained.

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

Not applicable.

- 15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

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

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

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

- Aquariums – Operation of aquatic-related facilities and tourist attractions, including sea lion performances. Retail, food and beverage are auxiliary goods and services arising from the operation of the above facilities.
- Giant Observation Wheel ("GOW") – Operation of a circular giant observation structure, and provision of retail space. Retail, food and beverage are auxiliary goods and services arising from the operation of the above facilities.

Other operations include the cable-car facility. None of these segments meets any of the quantitative thresholds for determining reportable segments in 2019 and 2018.

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

	Aquariums		GOW		Others		Total	
	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
External revenue	68,711	81,031	34,869	31,967	5,255	4,882	108,835	117,880
Interest revenue	3,842	3,564	399	305	70	63	4,311	3,932
Interest expense	418	-	2,153	1,225	5	8	2,576	1,233
Depreciation and amortisation	3,900	3,435	6,339	5,888	347	234	10,586	9,557
Reportable segment profit before income tax	47,717	57,491	8,295	5,024	3,035	2,577	59,047	65,092
Reportable segment assets	164,681	163,625	182,352	150,246	12,123	11,255	359,156	325,126
Capital expenditure	1,392	968	3,346	2,223	893	1,032	5,631	4,223
Reportable segment liabilities	26,762	11,597	114,002	88,635	4,678	3,693	145,442	103,925

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

	FY2019	FY2018
	S\$'000	S\$'000
Profit or loss		
Total profit for reportable segments	59,047	65,092
Unallocated amounts:		
- Head office and corporate expenses	(5,971)	(5,908)
- Head office and corporate income	1,071	778
- Elimination on consolidation	2,393	2,510
Consolidated profit before income tax	56,540	62,472
Assets		
Total assets for reportable segments	359,156	325,126
Unallocated head office and corporate assets:		
- Property, plant and equipment	1,977	2,025
- Right-of-use assets	5	-
- Loan and advances to subsidiaries	26,750	26,750
- Other amounts due from subsidiaries	18,464	9,828
- Cash and short-term bank deposits	51,162	48,103
- Others	93	89
Elimination on consolidation	(48,528)	(38,939)
Consolidated total assets	409,079	372,982
Liabilities		
Total liabilities for reportable segments	145,442	103,925
Unallocated head office and corporate liabilities:		
- Other payables and accruals	1,478	1,777
- Amounts due to subsidiaries	5,328	5,451
- Lease liabilities	5	-
- Deferred tax liabilities	4,740	5,262
- Current tax liabilities	177	206
Elimination on consolidation	(48,528)	(38,939)
Consolidated total liabilities	108,642	77,682

Other material items	Reportable segment totals	Unallocated corporate amounts	Consolidation eliminations	Consolidation totals
	S\$'000	S\$'000	S\$'000	S\$'000
FY2019				
Interest revenue	(4,311)	(1,072)	72	(5,311)
Interest expense	2,576	-	(5)	2,571
Capital expenditure	5,631	15	-	5,646
Depreciation and amortisation	10,586	66	-	10,652
FY2018				
Interest revenue	(3,932)	(776)	8	(4,700)
Interest expense	1,233	-	(8)	1,225
Capital expenditure	4,223	7	-	4,230
Depreciation and amortisation	9,557	79	-	9,636

Geographical information	Revenue	Non-current assets
	S\$'000	S\$'000
2019		
Singapore	34,869	161,998
China	73,966	39,231
	108,835	201,229
2018		
Singapore	31,967	127,605
China	85,913	33,674
	117,880	161,279

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

Please refer to Note 8 above.

18. **A breakdown of sales.**

		2019	2018	Increase/
		S\$'000	S\$'000	(Decrease)
		(Actual)	(Actual)	%
(a)	Sales reported for first half year	51,007	47,065	8.4
(b)	Operating profit after tax before deducting minority interests reported for first half year	18,573	14,959	24.2
(c)	Sales reported for second half year	57,828	70,815	(18.3)
(d)	Operating profit after tax before deducting minority interests reported for second half year	21,755	29,178	(25.4)

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

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	21,567	30,244
Preference	-	-
Total	21,567	30,244

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Wu Xiuyi	39	Daughter of Mr Wu Hsioh Kwang and Mdm Chua Soh Har	Senior Vice President, Assistant to Executive Chairman, 2011 Alternate Director to Mr Wu Hsioh Kwang, 2014	Not applicable
Wu Xiuzhuan	38	Son of Mr Wu Hsioh Kwang and Mdm Chua Soh Har	Senior Vice President (Corporate Development and Risk Management), 2018 Alternate Director to Mdm Chua Soh Har, 2014	Not applicable

BY ORDER OF THE BOARD,

Lotus Isabella Lim Mei Hua
Company Secretary
27 February 2020