

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

INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

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A. Consolidated Statement of Profit or Loss and Other Comprehensive Income

	6 Months ended			Full Year ended		
	31-12-2021	31-12-2020	Change	31-12-2021	31-12-2020	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	20,046	23,331	(14.1)	41,911	29,557	41.8
Other income						
- Finance income	2,288	2,254	1.5	4,401	4,658	(5.5)
- Other income	2,219	4,985	(55.5)	14,010	6,754	107.4
Expenses						
- Depreciation and amortisation expense	(5,642)	(5,193)	8.6	(11,350)	(10,258)	10.6
- Changes in inventories and purchases of goods	(344)	(338)	1.8	(729)	(578)	26.1
- Professional and consultancy expense	(219)	(552)	(60.3)	(576)	(1,005)	(42.7)
- Sales and marketing expenses	(556)	(508)	9.4	(1,221)	(983)	24.2
- Exchange gains - net	968	1,179	(17.9)	2,062	2,507	(17.8)
- Loss on disposal of property, plant and equipment	(12)	(50)	(76.0)	(20)	(80)	(75.0)
- Impairment loss on investment property	(400)	(2,600)	(84.6)	(400)	(2,600)	(84.6)
- Impairment loss on property, plant and equipment	(1,700)	-	n.m.	(1,700)	-	n.m.
- Rental expenses	(951)	(977)	(2.7)	(1,818)	(1,363)	33.4
- Property and other taxes	88	(1,297)	n.m.	(668)	(1,279)	(47.8)
- Government grant expense- rent concession	(83)	(245)	(66.1)	(83)	(245)	(66.1)
- Loss on derecognition of lease receivables	-	(335)	n.m.	-	(335)	n.m.
- Repair and maintenance expenses	(1,611)	(1,616)	(0.3)	(3,361)	(3,186)	5.5
- Staff cost	(8,626)	(7,880)	9.5	(17,035)	(15,825)	7.6
- Utilities expense	(1,202)	(1,016)	18.3	(2,216)	(1,892)	17.1
- Other expenses	(1,347)	(1,266)	6.4	(2,814)	(2,677)	5.1
Operating profit	2,916	7,876	(63.0)	18,393	1,170	1,472.1
Finance costs	(956)	(1,022)	(6.5)	(1,847)	(2,040)	(9.5)
Profit/ (Loss) before income tax	1,960	6,854	(71.4)	16,546	(870)	n.m.
Tax expense	(165)	(1,152)	(85.7)	(4,413)	(802)	450.2
Profit/ (Loss) for the period	1,795	5,702	(68.5)	12,133	(1,672)	n.m.
Other comprehensive income for the period, net of tax						
Translation differences relating to financial statements of foreign subsidiaries	2,425	4,209	(42.4)	6,554	7,315	(10.4)
Other comprehensive income for the period, net of tax	2,425	4,209	(42.4)	6,554	7,315	(10.4)
Total comprehensive income for the period	4,220	9,911	(57.4)	18,687	5,643	231.2
Profit/ (Loss) attributable to:						
Owners of the Company	1,896	5,674	(66.6)	11,567	(976)	n.m.
Non-controlling interests	(101)	28	n.m.	566	(696)	n.m.
Profit/ (Loss) for the period	1,795	5,702	(68.5)	12,133	(1,672)	n.m.
Total comprehensive income / (loss) attributable to:						
Owners of the Company	4,226	9,730	(56.6)	17,866	6,074	194.1
Non-controlling interests	(6)	181	n.m.	821	(431)	n.m.
Total comprehensive income for the period	4,220	9,911	(57.4)	18,687	5,643	231.2

n.m. – not meaningful

B. Consolidated Statement of Financial Position

	Group		Company	
	As at	As at	As at	As at
	31-12-2021	31-12-2020	31-12-2021	31-12-2020
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	168,312	174,295	1,849	1,908
Investment property	19,481	20,670	-	-
Investments in subsidiaries	-	-	76,071	76,071
Loans and advances to subsidiaries	-	-	36,650	26,750
Intangible assets	1,484	1,489	-	-
	189,277	196,454	114,570	104,729
Current assets				
Inventories	2,236	2,205	-	-
Trade and other receivables	6,195	3,893	229	49
Loans and receivables from subsidiaries	-	-	418	417
Other current assets	705	987	32	28
Fixed deposits pledged	1,000	1,000	-	-
Cash and cash equivalents	177,494	177,671	69,358	44,379
	187,630	185,756	70,037	44,873
Total assets	376,907	382,210	184,607	149,602
Equity attributable to owners of the Company				
Share capital	76,985	76,985	76,985	76,985
Reserves	21,390	14,828	1,204	1,074
Retained earnings	180,605	177,722	105,214	70,456
	278,980	269,535	183,403	148,515
Non-controlling interests	10,321	11,469	-	-
Total equity	289,301	281,004	183,403	148,515
Non-current liabilities				
Borrowings	7,634	2,900	-	-
Lease liabilities	41,623	42,434	-	-
Deferred income	80	162	-	-
Deferred tax liabilities	17,552	19,499	-	-
Provision for reinstatement cost	6,073	5,948	-	-
	72,962	70,943	-	-
Current liabilities				
Trade and other payables	12,259	7,818	511	407
Amounts due to subsidiaries	-	-	536	509
Current tax liabilities	221	993	157	171
Lease liabilities	1,196	1,452	-	-
Current borrowings	968	20,000	-	-
	14,644	30,263	1,204	1,087
Total liabilities	87,606	101,206	1,204	1,087
Total equity and liabilities	376,907	382,210	184,607	149,602

C. Statements of Changes in Equity (Group and Company)

The Group

2021

	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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2021	76,985	(7,507)	(1,228)	9,809	16,638	(2,884)	177,722	269,535	11,469	281,004
Changes in equity for the period:										
Purchase of own shares	-	(73)	-	-	-	-	-	(73)	-	(73)
Share-based payment transactions	-	-	-	203	-	-	-	203	-	203
Dividend payable of 1.00 cents per share	-	-	-	-	-	-	(8,551)	(8,551)	-	(8,551)
Total comprehensive income/ (loss) for the period	-	-	-	-	-	3,969	9,671	13,640	827	14,467
At 30 June 2021	76,985	(7,580)	(1,228)	10,012	16,638	1,085	178,842	274,754	12,296	287,050
Changes in equity for the period:										
Transfer to general reserve fund	-	-	-	-	133	-	(133)	-	-	-
Dividend to non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	(1,969)	(1,969)
Total comprehensive income/ (loss) for the period	-	-	-	-	-	2,330	1,896	4,226	(6)	4,220
At 31 December 2021	76,985	(7,580)	(1,228)	10,012	16,771	3,415	180,605	278,980	10,321	289,301

2020

	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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2020	76,985	(3,627)	(1,228)	9,338	16,520	(9,934)	200,370	288,424	12,013	300,437
Changes in equity for the period:										
Purchase of own shares	-	(363)	-	-	-	-	-	(363)	-	(363)
Share-based payment transactions	-	-	-	268	-	-	-	268	-	268
Transfer to general reserve fund	-	-	-	-	118	-	(118)	-	-	-
Dividend paid of 2.50 cents per share	-	-	-	-	-	-	(21,554)	(21,554)	-	(21,554)
Dividend to non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	(113)	(113)
Total comprehensive income/ (loss) for the period	-	-	-	-	-	2,994	(6,650)	(3,656)	(612)	(4,268)
At 30 June 2020	76,985	(3,990)	(1,228)	9,606	16,638	(6,940)	172,048	263,119	11,288	274,407
Changes in equity for the period:										
Purchase of own shares	-	(3,517)	-	-	-	-	-	(3,517)	-	(3,517)
Share-based payment transactions	-	-	-	203	-	-	-	203	-	203
Total comprehensive income/ (loss) for the period	-	-	-	-	-	4,056	5,674	9,730	181	9,911
At 31 December 2020	76,985	(7,507)	(1,228)	9,809	16,638	(2,884)	177,722	269,535	11,469	281,004

The Company

2021

	Share capital	Treasury shares	Capital reserve	Share option reserve	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2021	76,985	(7,507)	(1,228)	9,809	70,456	148,515
Purchase of own shares	-	(73)	-	-	-	(73)
Share-based payment transactions	-	-	-	203	-	203
Dividend payable of 1.00 cents per share	-	-	-	-	(8,551)	(8,551)
Total comprehensive income/ (loss) for the period	-	-	-	-	7,318	7,318
At 30 June 2021	76,985	(7,580)	(1,228)	10,012	69,223	147,412
Total comprehensive income/ (loss) for the period	-	-	-	-	35,991	35,991
As at 31 December 2021	76,985	(7,580)	(1,228)	10,012	105,214	183,403

2020

	Share capital	Treasury shares	Capital reserve	Share option reserve	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2020	76,985	(3,627)	(1,228)	9,338	71,533	153,001
Purchase of own shares	-	(363)	-	-	-	(363)
Share-based payment transactions	-	-	-	268	-	268
Dividend paid of 2.50 cents per share	-	-	-	-	(21,554)	(21,554)
Total comprehensive income/ (loss) for the period	-	-	-	-	11,416	11,416
At 30 June 2020	76,985	(3,990)	(1,228)	9,606	61,395	142,768
Purchase of own shares	-	(3,517)	-	-	-	(3,517)
Share-based payment transactions	-	-	-	203	-	203
Total comprehensive income/ (loss) for the period	-	-	-	-	9,061	9,061
As at 31 December 2020	76,985	(7,507)	(1,228)	9,809	70,456	148,515

D. Consolidated Statement of Cash Flows

	2H ended 31-12-2021	2H ended 31-12-2020	Full Year ended 31-12-2021	Full Year ended 31-12-2020
	S\$'000	S\$'000	\$'000	\$'000
Cash flows from operating activities				
Profit/ (Loss) before income tax	1,960	6,854	16,546	(870)
Adjustments for:				
Depreciation and amortisation expenses	5,642	5,193	11,350	10,258
Equity-settled share-based payment transactions	-	203	203	471
Loss on disposal of property, plant and equipment	12	50	20	80
Government grant utilised	(29)	(68)	(85)	(110)
Impairment loss on investment property	400	2,600	400	2,600
Impairment loss on property, plant and equipment	1,700	-	1,700	-
Finance income	(2,288)	(2,254)	(4,401)	(4,658)
Finance cost	956	1,022	1,847	2,040
Exchange gains	(949)	(1,186)	(2,048)	(2,515)
Operating profit before working capital changes	7,404	12,414	25,532	7,296
Changes in working capital:				
Trade and other receivables	8,289	(215)	(1,873)	(783)
Inventories	58	90	20	103
Trade and other payables	3,309	1,141	3,743	(1,959)
Cash generated from operating activities	19,060	13,430	27,422	4,657
Income taxes paid	(5,548)	(2,619)	(7,156)	(4,160)
Net cash from operating activities	13,512	10,811	20,266	497
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,800)	(2,225)	(4,064)	(5,572)
Government grant received	-	115	-	115
Proceeds from disposal of property, plant and equipment	1	1	1	1
Interest received	2,676	4,629	4,390	5,894
Net cash from investing activities	877	2,520	327	438
Cash flows from financing activities				
Dividend paid to owners of company	-	(21,554)	(8,551)	(21,554)
Dividend paid to non-controlling interests	(1,969)	-	(1,969)	(110)
Repurchase of own shares	-	(3,517)	(73)	(3,880)
Proceeds from borrowings	6,100	-	6,100	-
Repayment of borrowings	(19,198)	-	(20,398)	(3,000)
Repayment of lease liability	(504)	(548)	(1,233)	(879)
Interest paid on lease liabilities	(971)	(525)	(1,720)	(1,284)
Interest paid on borrowings	(95)	(145)	(238)	(413)
Net cash used in financing activities	(16,637)	(26,289)	(28,082)	(31,120)
Net decrease in cash and cash equivalents	(2,248)	(12,958)	(7,489)	(30,185)
Cash and cash equivalents at beginning of the period	176,882	186,067	177,671	199,452
Effects of exchange rate fluctuations	2,860	4,562	7,312	8,404
Cash and cash equivalents at end of the period	177,494	177,671	177,494	177,671

E. Selected Notes to the Consolidated Financial Statements

1. Corporate 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. Basis of preparation

The condensed interim financial statements for the six months ended 31 December 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies and methods of computation in the preparation of the interim financial statements for the current reporting period are consistent with those of the previous financial year ended 31 December 2020, which were in accordance with SFRS(I)s.

The condensed interim financial statements are presented, to the nearest thousand, in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements, estimates and assumptions

In preparing the condensed interim financial statements, management has made judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgement made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. 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, a complementary secondary attraction on site (the Time Capsule) 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 2021 and 2020.

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.

Information about reportable segments

	Aquariums		GOW		Others		Total	
	6 Months ended		6 Months ended		6 Months ended		6 Months ended	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020	31-12-2021	31-12-2020	31-12-2021	31-12-2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenue	16,883	18,972	2,722	2,948	441	1,411	20,046	23,331
Interest revenue	1,816	1,788	2	36	22	28	1,840	1,852
Interest expense	207	204	749	818	-	-	956	1,022
Insurance claim recovery	-	-	28	-	-	-	28	-
Depreciation and amortisation	2,134	2,015	3,287	2,969	185	175	5,606	5,159
Impairment of investment property	-	-	400	2,600	-	-	400	2,600
Impairment of property, plant and equipment	-	-	1,700	-	-	-	1,700	-
Reportable segment profit/ (loss) before income tax	7,846	11,908	(6,060)	(5,832)	(390)	546	1,396	6,622
Capital expenditure	625	988	1,641	1,855	57	86	2,323	2,929

	Aquariums		GOW		Others		Total	
	Full Year ended		Full Year ended		Full Year ended		Full Year ended	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020	31-12-2021	31-12-2020	31-12-2021	31-12-2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenue	32,932	24,027	7,178	3,434	1,801	2,096	41,911	29,557
Interest revenue	3,431	3,513	10	84	55	66	3,496	3,663
Interest expense	413	409	1,434	1,631	-	-	1,847	2,040
Insurance claim recovery	-	-	10,433	-	-	-	10,433	-
Depreciation and amortisation	4,229	4,001	6,686	5,842	364	346	11,279	10,189
Impairment of investment property	-	-	400	2,600	-	-	400	2,600
Impairment of property, plant and equipment	-	-	1,700	-	-	-	1,700	-
Reportable segment profit/ (loss) before income tax	15,366	10,684	(132)	(13,175)	25	482	15,259	(2,009)
Reportable segment assets	134,452	160,509	164,593	166,516	9,362	10,612	308,407	337,637
Capital expenditure	1,649	1,755	2,424	4,078	503	433	4,576	6,266
Reportable segment liabilities	17,051	16,723	106,490	108,661	5,961	4,826	129,502	130,210

Disaggregation of revenue

	Aquariums		GOW		Others		Total	
	6 Months ended		6 Months ended		6 Months ended		6 Months ended	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020	31-12-2021	31-12-2020	31-12-2021	31-12-2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Type of goods or services:								
Ticketing	16,066	18,146	2,049	1,816	441	1,411	18,556	21,373
Retail	721	611	115	146	-	-	836	757
Food and beverages	96	215	131	156	-	-	227	371
Others	-	-	142	108	-	-	142	108
Rental from lease under investment property	-	-	285	722	-	-	285	722
	16,883	18,972	2,722	2,948	441	1,411	20,046	23,331
Geographical information:								
China	16,883	18,972	-	-	441	1,411	17,324	20,383
Singapore	-	-	2,722	2,948	-	-	2,722	2,948
	16,883	18,972	2,722	2,948	441	1,411	20,046	23,331

	Aquariums		GOW		Others		Total	
	Full Year ended		Full Year ended		Full Year ended		Full Year ended	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020	31-12-2021	31-12-2020	31-12-2021	31-12-2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Type of goods or services:								
Ticketing	31,344	22,985	5,675	1,847	1,801	2,096	38,820	26,928
Retail	1,354	763	310	155	-	-	1,664	918
Food and beverages	234	279	460	507	-	-	694	786
Others	-	-	289	189	-	-	289	189
Rental from lease under investment property	-	-	444	736	-	-	444	736
	32,932	24,027	7,178	3,434	1,801	2,096	41,911	29,557
Geographical information:								
China	32,932	24,027	-	-	1,801	2,096	34,733	26,123
Singapore	-	-	7,178	3,434	-	-	7,178	3,434
	32,932	24,027	7,178	3,434	1,801	2,096	41,911	29,557

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

i) Segment profits or loss

	6 Months ended		Full Year ended	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020
	\$'000	\$'000	\$'000	\$'000
Profit or loss				
Total profit/ (loss) for reportable segments	1,396	6,622	15,259	(2,009)
Unallocated amounts:				
- Head office and corporate expenses	(1,816)	(1,577)	(3,589)	(3,445)
- Head office and corporate income	1,457	1,608	2,878	3,484
- Elimination on consolidation	923	201	1,998	1,100
Consolidated profit before income tax	1,960	6,854	16,546	(870)

ii) Segment assets and liabilities

	31-12-2021	31-12-2020
	\$'000	\$'000
Assets		
Total assets for reportable segments	308,407	337,637
Unallocated head office and corporate assets:		
- Property, plant and equipment	1,867	1,921
- Right-of-use assets	6	1
- Loan and advances to subsidiaries	36,650	26,750
- Other amounts due from subsidiaries	10,251	9,722
- Cash and short-term bank deposits	71,345	46,065
- Others	276	93
Elimination on consolidation	(51,895)	(39,979)
Consolidated total assets	376,907	382,210
Liabilities		
Total liabilities for reportable segments	129,502	130,210
Unallocated head office and corporate liabilities:		
- Other payables and accruals	919	624
- Amounts due to subsidiaries	5,792	5,555
- Lease liabilities	6	1
- Deferred tax liabilities	3,053	4,620
- Current tax liabilities	229	175
Elimination on consolidation	(51,895)	(39,979)
Consolidated total liabilities	87,606	101,206

iii) Other material items

	Reportable segment totals	Unallocated corporate amounts	Consolidation eliminations	Consolidated total
	\$'000	\$'000	\$'000	\$'000
6 Months ended 31-12-2021				
Interest revenue	(1,840)	(600)	152	(2,288)
Interest expense	956	-	-	956
Insurance claim recovery	(28)	-	-	(28)
Capital expenditure	2,323	3	-	2,326
Depreciation and amortisation	5,606	36	-	5,642
Impairment of investment property	400	-	-	400
Impairment of property, plant and equipment	1,700	-	-	1,700
6 Months ended 31-12-2020				
Interest revenue	(1,852)	(497)	95	(2,254)
Interest expense	1,022	-	-	1,022
Capital expenditure	2,929	-	-	2,929
Depreciation and amortisation	5,159	34	-	5,193
Impairment of investment property	2,600	-	-	2,600

	Reportable segment totals	Unallocated corporate amounts	Consolidation eliminations	Consolidated total
	\$'000	\$'000	\$'000	\$'000
Full Year ended 31-12-2021				
Interest revenue	(3,496)	(1,057)	152	(4,401)
Interest expense	1,847	-	-	1,847
Insurance claim recovery	(10,433)	-	-	(10,433)
Capital expenditure	4,576	14	-	4,590
Depreciation and amortisation	11,279	71	-	11,350
Impairment of investment property	400	-	-	400
Impairment of property, plant and equipment	1,700	-	-	1,700
Full Year ended 31-12-2020				
Interest revenue	(3,663)	(1,090)	95	(4,658)
Interest expense	2,040	-	-	2,040
Capital expenditure	6,266	10	-	6,276
Depreciation and amortisation	10,189	69	-	10,258
Impairment of investment property	2,600	-	-	2,600

Geographical information

The assets and operations of the Group are primarily located in China 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	Non-current assets
	\$'000	\$'000
As at 31-12-2021		
China	34,733	38,125
Singapore	7,178	151,152
	41,911	189,277
As at 31-12-2020		
China	26,123	38,889
Singapore	3,434	157,565
	29,557	196,454

There is no concentration of revenue from a single external customer.

4. Profit before taxation

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

	6 Months ended		Full Year ended	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020
	\$'000	\$'000	\$'000	\$'000
Depreciation expenses	5,638	5,189	11,342	10,250
Amortisation of intangible assets	4	4	8	8
Impairment loss on investment property	400	2,600	400	2,600
Impairment loss on property, plant and equipment	1,700	-	1,700	-
Insurance claim recovery	(28)	-	(10,433)	-
Interest income	(2,288)	(2,254)	(4,401)	(4,658)
Interest expense	956	1,022	1,847	2,040
Foreign exchange gains	(968)	(1,179)	(2,062)	(2,507)
Loss on disposal of property, plant and equipment	12	50	20	80
Government grant	(1,599)	(4,337)	(2,509)	(5,718)

- Depreciation expenses comprise depreciation of property, plant and equipment and depreciation of investment property.
- Impairment loss is recognised on investment property and property, plant and equipment at Straco Leisure Pte Ltd, as the fair values derived from the valuation done was lower than carrying amounts.
- Interest income is mainly from fixed deposits placed with financial institutions.
- Interest expense comprises interest on bank borrowings, interest on lease liabilities, as well as interest on reinstatement cost.
- Foreign exchange gains arise mainly due to the movement of Renminbi against Singapore Dollars.
- Government grant includes amount received or recognised under the Singapore government's job support scheme, wage support scheme, cash grants and rental waiver.

5. Income taxes

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	6 Months ended		Full Year ended	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020
	\$'000	\$'000	\$'000	\$'000
Current income tax	3,935	3,434	6,334	3,546
Deferred income tax	(3,770)	(2,282)	(1,948)	(2,801)
Under/ (over) provision of income tax in prior financial period	-	-	27	57
	165	1,152	4,413	802

6. Earnings per share

Earnings/(losses) per share	2H ended		Full Year ended	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020
(a) Based on the number of ordinary shares in issue (cents)	0.22	0.66	1.35	(0.11)
(b) On fully diluted basis (cents)	0.22	0.66	1.35	(0.11)

The calculation of basic earnings per share for 2H and full year ended 31 December 2021 are based on the net profits attributable to shareholders for the 2H and full year ended 31 December 2021 divided by the weighted average number of ordinary shares outstanding of 854,965,680 and 855,022,036 respectively.

The calculation of basic earnings per share for 2H and full year ended 31 December 2020 are based on the net profits/ losses attributable to shareholders for the 2H and full year ended 31 December 2020 divided by the weighted average number of ordinary shares outstanding of 859,825,439 and 860,985,968 respectively.

The calculation of diluted earnings per share for 2H and full year ended 31 December 2021 are based on the net profits attributable to shareholders for the 2H and full year ended 31 December 2021 divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 855,247,024 and 855,329,688 respectively.

The calculation of diluted earnings/ losses per share for 2H and full year ended 31 December 2020 are based on the net profit/ losses attributable to shareholders for the 2H and full year ended 31 December 2020 divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 860,116,104 and 861,291,004 respectively.

7. Net asset value

	Group		Company	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020
Net asset value per ordinary share (cents) based on number of issued shares excluding treasury shares at the end of:	32.63	31.52	21.45	17.37

Net asset value per ordinary share was calculated based on 854,965,680 ordinary shares issued (excluding treasury shares) as at 31 December 2021 and 855,095,680 ordinary shares issued (excluding treasury shares) as at 31 December 2020.

8. Dividends

	2021	2020
	\$'000	\$'000
Ordinary dividends paid:		
Dividend paid in respect of the previous financial year of 1.0 cent (2020: 2.5 cents) per share	8,551	21,553

It is the Group's practice to recommend final dividend payment annually after its financial year ends.

9. Financial assets and financial liabilities

The carrying amounts of the financial assets and financial liabilities are as follows:

	Group		Company	
	At 31-12-2021	At 31-12-2020	At 31-12-2021	At 31-12-2020
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	178,494	178,671	69,358	44,379
Trade and other receivables	5,523	3,383	649	468
Loans and advances to subsidiaries	-	-	36,650	26,750
Financial assets at amortised cost	184,017	182,054	106,657	71,597
Financial liabilities				
Trade and other payables	(7,802)	(6,021)	(1,047)	(916)
Lease liabilities	(42,819)	(43,886)	-	-
Borrowings	(8,602)	(22,900)	-	-
Financial liabilities at amortised cost	(59,223)	(72,807)	(1,047)	(916)

10. Investment property

	At 31-12-2021	At 31-12-2020
	\$'000	\$'000
Cost		
Beginning of financial year	27,643	27,643
End of period/ financial year	27,643	27,643
Accumulated depreciation and impairment		
Beginning of financial year	6,973	3,584
Depreciation charge	789	789
Impairment	400	2,600
End of period/ financial year	8,162	6,973
Net book value	19,481	20,670

Investment property comprises lettable retail units at Singapore Flyer premise that are leased to third parties under operating leases. Investment property is measured at cost less accumulated depreciation and accumulated impairment losses. Fair value assessment is performed annually by an external, independent and qualified valuer at the end of each financial year. As at 31 December 2021, the fair value of investment property was determined to be approximately \$19.5 million (2020: \$21 million).

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% respectively.

The investment property has been mortgaged to secure bank loans.

11. Property, plant and equipment

During the six months ended 31 December 2021, the Group acquired assets amounting to \$2.33 million (31 December 2020: \$2.93 million).

12. Intangible assets and goodwill

	Group		
	Goodwill on consolidation	Logo and trademark	Total
	\$'000	\$'000	\$'000
At 31 December 2020			
Cost	1,419	3,343	4,762
Accumulated amortisation	-	3,273	3,273
Net book value	1,419	70	1,489
At 31 December 2021			
Cost	1,419	3,347	4,766
Accumulated amortisation	-	3,282	3,282
Net book value	1,419	65	1,484

Impairment test for goodwill arising on consolidation

Goodwill is allocated to the Group's cash-generating units ("CGUs") 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.

No impairment loss was required for the carrying amount of goodwill as at 31 December 2021 and 30 December 2020 as the recoverable amount was in excess of the carrying amount.

13. Borrowings

	Group			
	At 31-12-2021		At 31-12-2020	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount payable in one year or less, or on demand	968	-	20,000	-
Amount payable after one year	3,634	4,000	-	2,900

The bank borrowings of the Group are secured by fixed and floating charges over certain assets including the property, plant and equipment and investment property of a subsidiary, and corporate guarantee from the Company.

During the 2H ended 31 December 2021, a temporary bridging loan of \$5.0 million from a bank was taken up by a subsidiary and was secured by corporate guarantee from the Company. The subsidiary had also made drawdowns of shareholder's loan amounting to \$1.1 million from its minority shareholder.

14. Share Capital

There was no share buy-back in 2H2021.

The Company's issued and fully paid-up shares as at 31 December 2021 comprised 854,965,680 (31 December 2020: 855,095,680) ordinary shares and 13,963,900 (31 December 2020: 13,833,900) treasury shares.

No share options were exercised and 60,000 share options had lapsed or expired in 2H2021. As at 31 December 2021, options to subscribe for 24,370,000 (31 December 2020: 26,606,000) ordinary shares remain outstanding.

(i) *Total number of issued shares excluding treasury shares*

	As at 31-12-2021	As at 31-12-2020
Total number of issued shares	868,929,580	868,929,580
Less: Treasury shares	(13,963,900)	(13,833,900)
Total number of issued shares excluding treasury shares	854,965,680	855,095,680

(ii) *Sales, transfer, disposal, cancellation and/or use of treasury shares*

Treasury shares	No. of shares	\$'000
Balance as at 30-06-2021	13,963,900	7,580
No. of shares purchased	-	-
No. of shares transferred on exercise of share option	-	-
Balance as at 31-12-2021	13,963,900	7,580

F. Other Information required by Listing Rule Appendix 7.2

1. Review

The Condensed Interim Consolidated Statement of Financial Position of Straco Corporation Limited and its subsidiaries as at 31 December 2021 and the related Condensed Interim Consolidated Profit or Loss and Other Comprehensive Income, Condensed Interim Consolidated Statement of Changes in Equity and Condensed Interim Consolidated Statement of Cash Flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Revenue

In the second half of FY2021, the Group generated sales of \$20.05 million, 14.1% lower than the corresponding period in 2H2020. Lower revenues were generated by all our China attractions amid tightened measures by the authorities due to resurgence of Covid cases in various provinces which resulted in lower visitor arrivals during the summer holiday period. Temporary closure of Underwater World Xiamen (“UWX”) from mid-September till first week of October and prolonged closure of Lixing Cable Car since end July also resulted in missed revenues from National day golden week. At Singapore Flyer, revenues also decreased due to ride suspension for more than a month for necessary replacement and maintenance works.

Overall visitation to all our attractions totalled 0.72 million visitors for the 2H2021, about 29% lower than the corresponding period of 1.01 million visitors in 2H2020.

Cumulatively, overall revenue for the full year of FY2021 amounted to \$41.91 million, 41.8% higher than the corresponding period in FY2020 when our attractions were hit with prolonged closures in the 1st half of 2020.

Other income for 2H2021 decreased 37.7% from corresponding period, mainly due to lower amounts received under the Singapore government’s job support scheme and absence of property tax rebate and cash grant under the rental relief framework as in last year; offset by rental waivers for the current period from July to October granted to Singapore Flyer and wage support grant from Singapore Tourism Board (“STB”).

Operational Results

Total Expenses (excluding finance cost) for 2H2021 was \$21.64 million, 4.7% lower than 2H2020. Exchange gain of \$0.97 million was recorded in this period, as Renminbi currency strengthened against the Singapore dollar in the current period compared to last year-end exchange rate. Professional and consultancy expenses decreased, as last year’s expenses included legal and professional fee incurred for the insurance claim on the breakdown of Singapore Flyer, while there was a refund of deposit for the arbitration proceedings related to the insurance claim in the current period. Impairment losses amounting to \$2.1 million was recognized in 2H2021 for the investment property and property, plant and equipment at Straco Leisure Pte Ltd (“SLPL”), as the fair values derived from the valuation done were lower than carrying amounts. Depreciation and amortisation expenses increased, mainly due to the charge for the new Time Capsule at Singapore Flyer and Sperm Whale Exhibition zone at Underwater World Xiamen which commenced in the last quarter of 2020. Property and other taxes were negative in 2H2021, as a refund of about \$0.8 million was received by SLPL for 2021 taxes paid due to a revision in the annual value of the Giant Observation Wheel. Utilities expense was higher, due to higher electricity tariff and absence of prolonged closures of our attractions as in the first half of last year.

Profit before tax was \$1.96 million for 2H2021, 71.4% lower than the profit before tax of \$6.85 million recorded in 2H2020. Taking away the exchange gains recorded and the one-off impairment provision, profit before tax for 2H2021 would have been approximately \$3.09 million.

Balance Sheet items

Trade and other receivables increased 59.1% from \$3.89 million at 31 December 2020 to \$6.2 million at 31 December 2021, mainly due to increase in sales relating to SingapoRediscover vouchers (“SRV”) in the current period, wage support grant receivable, and increase in fixed deposits interest receivable.

Other current assets decreased 28.6% from \$0.99 million at 31 December 2020 to \$0.71 million at 31 December 2021, mainly due to decrease in prepayment at SLPL as the 50% down-payment for the spoke cable replacement works at Singapore Flyer, amounting to \$0.28 million, has been reclassified to property, plant and equipment upon the completion of the replacement works.

Reserves increased 44.3% from \$14.83 million at 31 December 2020 to \$21.39 million at 31 December 2021, mainly due to the translation gain of \$6.3 million arising from the stronger RMB currency against SGD at the end of the current year compared to the end of last year, increase in general reserve of \$0.13 million arising from the reserve amount set aside by LLC prior to the distribution of retained profit as dividend during the year; as well as the increase in share option reserves of \$0.20 million during the period arising from share options granted in 2020; offset by increase in treasury shares of \$0.07 million arising from the share buyback during the current period.

Non-current borrowings increased 163.2% from \$2.90 million at 31 December 2020 to \$7.63 million at 31 December 2021, due to a Temporary Bridging Loan (“TBL”) of \$5.0 million taken up under the enterprise financing scheme from DBS bank, as well as the amount of \$1.1 million received by SLPL from a minority shareholder, being their 10% share of the agreed shareholder’s loan quantum; offset by the monthly repayment of the TBL which started in August for a period of 5 years and the amount of TBL repayable in 2022 being classified as current borrowing.

Deferred income decreased 50.6% from \$0.16 million at 31 December 2020 to \$0.08 million at 31 December 2021, due to the periodic recognition of deferred income to profit & loss in the current period.

Trade and other payables increased 56.8% from \$7.82 million at 31 December 2020 to \$12.26 million at 31 December 2021, mainly due to increase in trade payables at SOA, increase in trade payables at Singapore Flyer arising from the top up of refundable deposits by an online travel agency in view of the issuance of the SRVs and increase in deferred revenue from unused SRV sales at SLPL; and increase in other payables arising from the accrual of bonus and additional provision of unutilised leave in the current period, while there was no bonus accrued in 2020.

Current tax liabilities decreased 77.7% from \$0.99 million at 31 December 2020 to \$0.22 million at 31 December 2021, mainly due to the lower income taxes of China subsidiaries in the last quarter this year as lower profit was generated by SOA while losses were incurred by UWX and Lixing Cable Car; payment of 4Q2020 income taxes of China subsidiaries in the current period and instalment payments of income tax at HQ; offset by income tax provision for YA2022 at HQ.

Current borrowings decreased 95.2% from \$20.0 million at 31 December 2020 to \$0.97 million at 31 December 2021, as full repayment of the remaining \$20.0 million had been made in the current year for the term loan; while \$0.97 million is the current portion of the TBL which is repayable in 2022.

Cash flow Statement

The Group generated net cash of \$13.51 million from operating activities in 2H2021, compared to net cash of \$10.81 million generated in 2H2020, an increase of 25%, partly attributable to the arbitration award for the insurance claims received by SLPL in the current period. Proceeds and repayment of borrowings in 2H2021 amounted to \$6.10 million and \$19.2 million respectively, as explained above, while no repayment of borrowing was made in 2H2020 as Singapore Flyer was granted deferment of principal repayment in last year from April 2020 till December 2020.

As at 31 December 2021, the Group’s cash and cash equivalent balance amounted to \$177.49 million.

3. Whether a forecast, or 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 period under review, except for the business update provided on 18 November 2021.

4. 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 gross domestic product ("GDP") grew 8.1% for the full year of 2021, the largest jump since 2011. However, facing challenges brought about by the Covid-19 pandemic, the country has seen economic activities slowed down after a strong rebound of 12.7% growth in the first half of 2021. For the fourth quarter of 2021, the economy grew 4% year-on-year.

The protracted Covid-19 resurgence and China's zero-Covid strategy and accompanying restrictions continued to weigh on the tourism sector.

Singapore's economy grew 7.2% in 2021, according to advanced estimates released by the Ministry of Trade and Industry ("MTI"), rebounding from the 5.4% contraction in 2020. On the tourism sector, the Singapore Tourism Board ("STB") reported that international visitor arrivals ("IVA") and tourism receipts reached 330,000 and an estimated \$1.9 billion respectively in 2021, as various travel arrangements, such as Vaccinated Travel Lanes ("VTLs") has encouraged the gradual return of international travellers. IVA increased 221% in the last three quarters of 2021, compared to the same period in 2020. While it will take time for tourism numbers to return to pre-pandemic levels, the tourism sector had adapted to focus on domestic tourism, supported by STB initiatives such as the SingaporeRediscovered Vouchers ("SRV") scheme.

The resumption of MICE events also picked up pace in 2021, as more than 200 MICE events with almost 50,000 local and international attendees were hosted in 2021. STB will continue to build up the pipeline of MICE events and expand the range and scale of leisure and lifestyle events in 2022. It was also reported that Singapore will continue to host the Formula 1 Singapore Grand Prix for another seven years, from 2022 to 2028. While the tourism sector may face setbacks and challenges as it slowly recovers, STB will continue to work closely with tourism partners to capture growth and inspire travel to Singapore.

The Company had on 20 January 2022 announced the temporary closure of Singapore Flyer Ride Operations due to the detection of a technical issue during a routine maintenance inspection. The impact of this disruption of service will continue to be monitored and assessed.

5. Dividend information

(a) Current Financial Period Reported On

Any 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)	1.00 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)
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.00 cent per ordinary share
Tax Rate	Tax Exempt

(c) Date payable

To be announced.

(d) Books closure date

To be announced.

6. Interested person transaction

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

7. 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.

8. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

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	41	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	40	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
25 February 2022