

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

SECOND QUARTER ENDED 30 JUNE 2015 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

	2Q ended			6 months ended		
	30/06/2015	30/06/2014	Change	30/06/2015	30/06/2014	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	29,390	19,672	49.4	54,544	34,335	58.9
Other income	1,270	1,088	16.7	2,097	2,121	(1.1)
Less:						
Depreciation and amortisation expense	(3,166)	(961)	229.4	(6,310)	(1,950)	223.6
Sales and marketing expenses	(1,053)	(467)	125.5	(1,680)	(804)	109.0
Exchange gains/ (losses)	299	(396)	n.m.	68	(1,406)	n.m.
Operating lease expense	(1,621)	(1,027)	57.8	(3,042)	(1,826)	66.6
Property and other taxes	(427)	(189)	125.9	(801)	(291)	175.3
Repair and maintenance expenses	(1,206)	(481)	150.7	(2,415)	(926)	160.8
Staff cost	(4,596)	(2,639)	74.2	(8,145)	(5,019)	62.3
Utilities expense	(843)	(539)	56.4	(1,710)	(1,091)	56.7
Other operating expenses	(960)	(382)	151.3	(1,870)	(744)	151.3
Other administrative expenses	(840)	(928)	(9.5)	(1,635)	(1,425)	14.7
Operating profit	16,247	12,751	27.4	29,101	20,974	38.7
Finance costs	(455)	-	n.m.	(895)	-	n.m.
Profit before income tax	15,792	12,751	23.8	28,206	20,974	34.5
Tax expense	(4,724)	(4,058)	16.4	(7,953)	(6,656)	19.5
Profit for the period	11,068	8,693	27.3	20,253	14,318	41.5
Profit attributable to:						
Owners of the Company	10,461	8,329	25.6	19,144	13,738	39.4
Non-controlling interests	607	364	66.8	1,109	580	91.2
Profit for the period	11,068	8,693	27.3	20,253	14,318	41.5

STATEMENT OF COMPREHENSIVE INCOME

	2Q ended			6 months ended		
	30/06/2015	30/06/2014	Change	30/06/2015	30/06/2014	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period	11,068	8,693	27.3	20,253	14,318	41.5
Other comprehensive income/ (loss) for the period, net of tax						
Translation differences relating to financial statements of foreign subsidiaries	(3,304)	(913)	261.9	2,502	(3,684)	n.m.
Other comprehensive income/ (loss) for the period, net of tax	(3,304)	(913)	261.9	2,502	(3,684)	n.m.
Total comprehensive income for the period	7,764	7,780	(0.2)	22,755	10,634	114.0
Total comprehensive income attributable to:						
Owners of the Company	7,266	7,449	(2.5)	21,548	10,188	111.5
Non-controlling interests	498	331	50.5	1,207	446	170.6
Total comprehensive income for the period	7,764	7,780	(0.2)	22,755	10,634	114.0

n.m. – not meaningful

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

	2Q ended		6 months ended	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment	2,609	961	5,195	1,950
Depreciation of investment property	352	-	704	-
Amortisation of intangible assets	205	-	411	-
Interest income	(816)	(699)	(1,252)	(1,454)
Interest expense	455	-	895	-
Foreign exchange (gains)/ losses	(299)	396	(68)	1,406
Loss on disposal of property, plant and equipment	6	3	18	4
Government grant	(16)	(16)	(34)	(32)

Notes:

1. The increases in depreciation and amortisation expenses are mainly attributable to the depreciation and amortization charges on the assets, investment property, and intangible assets of Singapore Flyer acquired by a subsidiary, Straco Leisure Pte Ltd ("SLPL") in November 2014.
2. Interest expense is mainly attributable to the long-term bank borrowing for the purpose of acquiring the assets of Singapore Flyer.
3. Foreign exchange differences arise 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 30/06/2015	As at 31/12/2014	As at 30/06/2015	As at 31/12/2014
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	137,597	139,645	2,258	2,301
Investment property	49,307	49,883		
Investments in subsidiaries	-	-	102,220	102,220
Intangible assets	4,201	4,613	-	-
	191,105	194,141	104,478	104,521
Current assets				
Inventories	2,226	2,790	-	-
Trade and other receivables	4,780	3,913	-	-
Loans and receivables from subsidiaries	-	-	1,418	1,837
Other current assets	1,674	1,391	41	23
Cash and cash equivalents	108,838	112,465	12,051	3,770
	117,518	120,559	13,510	5,630
Total assets	308,623	314,700	117,988	110,151
Equity attributable to owners of the Company				
Share capital	76,985	76,985	76,985	76,985
Reserves	25,604	16,008	1,912	(1,391)
Retained earnings	91,744	93,649	37,991	25,491
	194,333	186,642	116,888	101,085
Non-controlling interests	7,771	7,736	-	-
Total equity	202,104	194,378	116,888	101,085
Non-current liabilities				
Borrowings	67,900	73,900	-	-
Deferred income	118	150	-	-
Deferred tax liabilities	12,240	13,060	-	-
Provision for reinstatement cost	374	-	-	-
	80,632	87,110	-	-
Current liabilities				
Trade and other payables	9,354	11,101	553	1,071
Amounts due to subsidiaries	-	-	547	536
Current tax liabilities	4,533	2,652	-	-
Current borrowings	12,000	19,459	-	7,459
	25,887	33,212	1,100	9,066
Total liabilities	106,519	120,322	1,100	9,066
Total equity and liabilities	308,623	314,700	117,988	110,151

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

	As at 30/06/2015		As at 31/12/2014	
	<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	12,000,000	-	19,458,711	-
Amount payable after one year	65,000,000	2,900,000	71,000,000	2,900,000

Details of any collateral

The borrowings are secured by fixed and floating charges over certain assets of certain subsidiaries 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	Q2 ended 30/06/2015	Q2 ended 30/06/2014
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before income tax	15,792	12,751
Adjustments for:		
Amortisation of intangible assets	205	-
Depreciation of property, plant and equipment	2,609	961
Depreciation of investment property	352	-
Equity-settled share-based payment transactions	466	335
Loss on disposal of property, plant and equipment	6	3
Government grant utilised	(16)	(16)
Interest income	(816)	(699)
Interest expense	455	-
Exchange (gains)/ losses	(294)	24
Operating profit before working capital changes	18,759	13,359
Changes in working capital:		
Trade and other receivables	(706)	(228)
Inventories	(24)	(217)
Trade and other payables	1,019	534
Cash generated from operating activities	19,048	13,448
Income taxes paid	(4,225)	(3,313)
Net cash from operating activities	14,823	10,135
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,148)	(216)
Interest received	1,019	932
Net cash (used in)/ from investing activities	(129)	716
Cash flows from financing activities		
Dividend paid to owners of company	(17,160)	(16,946)
Dividend paid to non-controlling interests	(1,172)	(539)
Repurchase of own shares	(229)	-
Proceeds from exercise of share options	2,631	433
Repayment of borrowings	(10,522)	-
Interest paid	(575)	-
Net cash used in financing activities	(27,027)	(17,052)
Net decrease in cash and cash equivalents	(12,333)	(6,201)
Cash and cash equivalents at beginning of the period	123,536	106,832
Effects of exchange rate fluctuations	(2,365)	(663)
Cash and cash equivalents at end of the period	108,838	99,968

Included in cash and cash equivalent is an amount of \$1.00 million (30 June 2014: Nil) deposit pledged as security to obtain credit facilities.

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 2015	76,985	(4,710)	(267)	3,586	12,282	5,117	93,649	186,642	7,736	194,378
Changes in equity for the period:										
Share-based payment transactions	-	-	-	435	-	-	-	435	-	435
Total comprehensive income for the period	-	-	-	-	-	5,599	8,683	14,282	709	14,991
At 31 March 2015	76,985	(4,710)	(267)	4,021	12,282	10,716	102,332	201,359	8,445	209,804
Changes in equity for the period:										
Purchase of own shares	-	(229)	-	-	-	-	-	(229)	-	(229)
Share-based payment transactions	-	-	-	466	-	-	-	466	-	466
Treasury shares reissued	-	2,536	95	-	-	-	-	2,631	-	2,631
Transfer to general reserve fund	-	-	-	-	3,889	-	(3,889)	-	-	-
Dividend paid of 2.00 cents per share	-	-	-	-	-	-	(17,160)	(17,160)	-	(17,160)
Dividend to non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	(1,172)	(1,172)
Total comprehensive income for the period	-	-	-	-	-	(3,195)	10,461	7,266	498	7,764
At 30 June 2015	76,985	(2,403)	(172)	4,487	16,171	7,521	91,744	194,333	7,771	202,104

(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 2014	76,985	(5,043)	(206)	2,246	12,208	1,725	72,981	160,896	3,116	164,012
Changes in equity for the period:										
Share-based payment transactions	-	-	-	136	-	-	-	136	-	136
Treasury shares reissued	-	258	(24)	-	-	-	-	234	-	234
Total comprehensive income for the period	-	-	-	-	-	(2,670)	5,409	2,739	115	2,854
At 31 March 2014	76,985	(4,785)	(230)	2,382	12,208	(945)	78,390	164,005	3,231	167,236
Changes in equity for the period:										
Purchase of own shares	-	-	-	-	-	-	-	-	-	-
Share-based payment transactions	-	-	-	335	-	-	-	335	-	335
Treasury shares reissued	-	457	(24)	-	-	-	-	433	-	433
Dividend paid of 2.00 cents per share	-	-	-	-	-	-	(16,946)	(16,946)	-	(16,946)
Total comprehensive income for the period	-	-	-	-	-	(880)	8,329	7,449	331	7,780
At 30 June 2014	76,985	(4,328)	(254)	2,717	12,208	(1,825)	69,773	155,276	3,562	158,838

(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 2015	76,985	(4,710)	(267)	3,586	25,491	101,085
Share-based payment transactions	-	-	-	435	-	435
Total comprehensive income/ (loss) for the period	-	-	-	-	(1,432)	(1,432)
At 31 March 2015	76,985	(4,710)	(267)	4,021	24,059	100,088
Purchase of own shares	-	(229)	-	-	-	(229)
Share-based payment transactions	-	-	-	466	-	466
Treasury shares reissued	-	2,536	95	-	-	2,631
Total comprehensive income/ (loss) for the period	-	-	-	-	31,092	31,092
Dividend paid of 2.00 cents per share	-	-	-	-	(17,160)	(17,160)
At 30 June 2015	76,985	(2,403)	(172)	4,487	37,991	116,888

(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 2014	76,985	(5,043)	(206)	2,246	38,256	112,238
Share-based payment transactions	-	-	-	136	-	136
Treasury shares re-issued	-	258	(24)	-	-	234
Total comprehensive income/ (loss) for the period	-	-	-	-	(1,329)	(1,329)
At 31 March 2014	76,985	(4,785)	(230)	2,382	36,927	111,279
Purchase of own shares	-	-	-	-	-	-
Share-based payment transactions	-	-	-	335	-	335
Treasury shares reissued	-	457	(24)	-	-	433
Total comprehensive income/ (loss) for the period	-	-	-	-	6,764	6,764
Dividend paid of 2.00 cents per share	-	-	-	-	(16,946)	(16,946)
At 30 June 2014	76,985	(4,328)	(254)	2,717	26,745	101,865

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 220,000 shares by way of on-market purchase for a total consideration of \$229,000 (including transaction costs) in 2Q2015. These shares purchased were made out of the Company's capital and held as treasury shares.

During the second quarter ended 30 June 2015, 11,490,000 share options were exercised from the options that were granted in 2007, 2010, 2011, 2012, 2013, and 2014; resulting in 11,490,000 treasury shares being reissued.

The Company's issued and fully paid up shares as at 30 June 2015 comprised 858,729,580 (30 June 2014: 847,309,580) ordinary shares and 10,200,000 (30 June 2014: 21,620,000) treasury shares.

During the second quarter ended 30 June 2015, the Company issued 5,568,000 share options to the directors and employees of the Group. As at 30 June 2015, options to subscribe for 20,928,000 (30 June 2014: 27,750,000) 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 30/06/2015	As at 31/12/2014
Total number of issued shares	868,929,580	868,929,580
Less: Treasury shares	(10,200,000)	(21,470,000)
Total number of issued shares excluding treasury shares	858,729,580	847,459,580

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 31/03/2015	21,470,000	4,710
No. of shares purchased	220,000	229
No. of shares transferred on exercise of share option	(11,490,000)	(2,536)
Balance as at 30/06/2015	10,200,000	2,403

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 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 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 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 2014.

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.

An assessment has been made of the Amendments and Interpretations to the Singapore Financial Reporting Standards (“FRSs”) effective from 1 January 2015 and it is not expected to have any significant 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	Q2 ended		6 months ended	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
(a) Based on the number of ordinary shares in issue (cents)	1.22	0.98	2.25	1.62
(b) On fully diluted basis (cents)	1.21	0.97	2.21	1.60

The calculation of basic earnings per share for 2Q and 6 months ended 30 June 2015 are based on the net profits attributable to shareholders for the 2Q and 6 months ended 30 June 2015 divided by the weighted average number of ordinary shares outstanding of 856,769,580 and 852,140,298 respectively.

The calculation of basic earnings per share for 2Q and 6 months ended 30 June 2014 are based on the net profits attributable to shareholders for the 2Q and 6 months ended 30 June 2014 divided by the weighted average number of ordinary shares outstanding of 847,161,228 and 845,623,171 respectively.

The calculation of diluted earnings per share for 2Q and 6 months ended 30 June 2015 are based on the net profits attributable to shareholders for the 2Q and 6 months ended 30 June 2015 divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 866,904,397 and 865,054,746 respectively.

The calculation of diluted earnings per share for 2Q and 6 months ended 30 June 2014 are based on the net profits attributable to shareholders for the 2Q and 6 months ended 30 June 2014 divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 860,076,094 and 858,648,581 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	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
Net asset value per ordinary share (cents) based on number of issued shares excluding treasury shares at the end of:	22.63	22.02	13.61	11.93

Net asset value per ordinary share was calculated based on 858,729,580 ordinary shares issued (excluding treasury shares) as at 30 June 2015 and 847,459,580 ordinary shares issued (excluding treasury shares) as at 31 December 2014.

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 second quarter of FY2015, the Group achieved sales of \$29.39 million, an increase of 49.4% over the same period in FY2014, mainly attributable to the revenue contributed by Straco Leisure Pte Ltd ("SLPL") from the operation of the Singapore Flyer acquired in November 2014, as well as increased revenue from Shanghai Ocean Aquarium ("SOA") arising from more visitor arrival as well as the stronger RMB currency against SGD compared to 2Q2014.

Overall visitation to all our attractions was 1.229 million visitors for the quarter, an increase of 19.5% compared to 2Q2014, mainly attributable to the addition of the Singapore Flyer to our Group.

Cumulatively, overall revenue for the first half of FY2015 amounted to \$54.54 million, an increase of \$20.21 million or 58.9% compared to 1H2014. Revenue from the Singapore Flyer accounted for 88% of the increase.

Operational Results

Other income for 2Q2015 increased \$182,000, or 16.7% from 2Q2014, mainly attributable to higher interest income recognized in the current period as well as increase in concessionaire sales income from SOA and Underwater World Xiamen ("UWX").

Expenses (excluding finance cost) in total for 2Q2015 increased \$6.40 million, or 80% from 2Q2014, mainly attributable to the expenses incurred by SLPL for the operation of the Singapore Flyer, which accounted for 92% of the increase.

Profit before tax was \$15.79 million for the current quarter, an increase of 23.8% compared to the profit before tax of \$12.75 million for 2Q2014, mainly attributable to the profit contributed by the Singapore Flyer as well as higher profit from SOA.

Balance Sheet items

Inventories decreased 20.2% from \$2.79 million at 31 December 2014 to \$2.23 million at 30 June 2015, mainly due to reclassification of certain spare parts at Lixing Cable Car to property, plant and equipment.

Trade and other receivables increased 22.2% from \$3.91 million at 31 December 2014 to \$4.78 million at 30 June 2015 mainly due to increase in trade receivables in UWX and SLPL due to more bookings by travel agents at UWX in June which was a peak season compared to last year's December which was non-peak, and outstanding rentals from tenants of SLPL; increase in interest receivables from fixed deposits placed, as well as increase in other receivables at SLPL arising from the GST input tax claimable for the quarter.

Other current assets increased 20.3% from \$1.39 million at 31 December 2014 to \$1.67 million at 30 June 2015, mainly due to advance payment for landscaping improvement work at UWX.

Reserves increased from \$16.01 million at 31 December 2014 to \$25.60 million at 30 June 2015, due to the translation gain of \$2.4 million arising from the stronger RMB currency against SGD at the end of the current period compared to the end of last year, share option reserves of \$0.9 million recognised in the current period arising from share options granted in May 2014 and May 2015, amounts transferred by SOA and UWX from their FY2013 retained earnings to general reserves amounting to \$3.89 million in total, net decrease in treasury shares from share buyback of \$229,000 and treasury shares reissued of \$2.54 million; as well as gain on treasury shares reissued of \$95,000.

Deferred income decreased 21.3% from \$150,000 at 31 December 2014 to \$118,000 at 30 June 2015, mainly due to the periodic recognition of deferred income to profit & loss in the current period.

Provision for reinstatement cost of \$374,000 as at 30 June 2015 was made by SLPL in accordance with the requirements under the lease agreement.

Trade and other payables decreased 15.7% from \$11.1 million at 31 December 2014 to \$9.35 million at 30 June 2015, mainly due to the decrease in trade payables, as well as the payment of performance bonus which were accrued in last year.

Current tax liabilities increased 70.9% from \$2.65 million at 31 December 2014 to \$4.53 million at 30 June 2015, mainly due to the provision of income taxes on 2Q2015 profits of SOA, UWX, and Lixing Cable Car, and 1H2015 profits of SLPL, partially offset by the payment of 4Q2014 income taxes by SOA, UWX, and Lixing Cable Car in the current period.

Current borrowings decreased 38.3% from \$19.46 million at 31 December 2014 to \$12.0 million at 30 June 2015, due to the repayment of a short-term borrowing of \$7.52 million upon maturity.

Cash flow Statement

The Group generated net cash from operating activities amounting to \$14.82 million in 2Q2015. During the quarter, the Company paid out final dividend amounting to \$17.16 million for the financial year ended 31 December 2014 and received \$2.63 million from the exercises of share options. As at 30 June 2015, the Group's cash and cash equivalent balance amounted to \$108.84 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 gross domestic product ("GDP") grew 7% in the second quarter of 2015, about the same as in the first quarter.

On the tourism sector, the China National Tourism Administration reported that China's tourism expenditure grew 14.5% year-on-year to RMB1.65 trillion in the first half of 2015, while investment in the national tourism industry grew 28% to RMB301.8 billion. It is expected that

the industry will continue to enjoy high growth as China enters a new economic phase through reforms and consumers shift towards service consumption.

In Singapore, the outlook of the tourism sector remains good. In a recent media release, Singapore Tourism Board will be collaborating with Singapore Airline and Changi Airport Group on a two-year partnership to promote inbound travel to Singapore. The three parties will jointly invest \$20 million to promote the Singapore experience to leisure, business, and MICE audiences in more than 15 markets worldwide.

11. Dividend

(a) Current Financial Period Reported On

Any interim (final) dividend declared (recommended) for the current financial period reported on? None

(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

Not applicable.

(d) Books closure date

Not applicable.

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

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

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).

To the best of our knowledge and belief, nothing has come to the attention of the Directors which may render the 2Q2015 financial results to be false or misleading in any material aspect.

On behalf of the Board

Wu Hsioh Kwang
Chairman

Lim Song Joo
Director

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

- 15. 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.**

Not applicable.

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

Not applicable.

- 17. A breakdown of sales.**

Not applicable.

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

Not applicable.

- 19. 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.**

Not applicable.

BY ORDER OF THE BOARD,

Lotus Isabella Lim Mei Hua
Company Secretary
14 August 2015