

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

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST HALF ENDED 30 JUNE 2021

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

	1H ended		
	30-06-2021	30-06-2020	Change
	\$'000	\$'000	%
Revenue	21,865	6,226	251.2
Other income			
- Finance income	2,113	2,404	(12.1)
- Other income	11,791	1,769	566.5
Expenses			
- Depreciation and amortisation expense	(5,708)	(5,065)	12.7
- Changes in inventories and purchases of goods	(385)	(240)	60.4
- Professional and consultancy expense	(357)	(453)	(21.2)
- Sales and marketing expenses	(665)	(475)	40.0
- Exchange gains - net	1,094	1,328	(17.6)
- Loss on disposal of property, plant and equipment	(8)	(30)	(73.3)
- Rental expenses	(867)	(386)	124.6
- Property and other taxes	(756)	18	n.m.
- Repair and maintenance expenses	(1,750)	(1,570)	11.5
- Staff cost	(8,409)	(7,945)	5.8
- Utilities expense	(1,014)	(876)	15.8
- Other expenses	(1,467)	(1,411)	4.0
Operating profit/ (loss)	15,477	(6,706)	n.m.
Finance costs	(891)	(1,018)	(12.5)
Profit/ (Loss) before income tax	14,586	(7,724)	n.m.
Tax expense	(4,248)	350	n.m.
Profit/ (Loss) for the period	10,338	(7,374)	n.m.
Other comprehensive income for the period, net of tax			
Translation differences relating to financial statements of foreign subsidiaries	4,129	3,106	32.9
Other comprehensive income for the period, net of tax	4,129	3,106	32.9
Total comprehensive income / (loss) for the period	14,467	(4,268)	n.m.
Profit/ (Loss) attributable to:			
Owners of the Company	9,671	(6,650)	n.m.
Non-controlling interests	667	(724)	n.m.
Profit/ (Loss) for the period	10,338	(7,374)	n.m.
Total comprehensive income / (loss) attributable to:			
Owners of the Company	13,640	(3,656)	n.m.
Non-controlling interests	827	(612)	n.m.
Total comprehensive income / (loss) for the period	14,467	(4,268)	n.m.

B. Condensed Interim Statement of Financial Position

	Group		Company	
	As at 30-06-2021	As at 31-12-2020	As at 30-06-2021	As at 31-12-2020
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	172,282	174,295	1,878	1,908
Investment property	20,276	20,670	-	-
Investments in subsidiaries	-	-	76,071	76,071
Loans and advances to subsidiaries	-	-	26,750	26,750
Intangible assets	1,487	1,489	-	-
	194,045	196,454	104,699	104,729
Current assets				
Inventories	2,274	2,205	-	-
Trade and other receivables	14,196	3,893	149	49
Loans and receivables from subsidiaries	-	-	417	417
Other current assets	1,335	987	41	28
Fixed deposits pledged	1,000	1,000	-	-
Cash and cash equivalents	176,882	177,671	43,033	44,379
	195,687	185,756	43,640	44,873
Total assets	389,732	382,210	148,339	149,602
Equity attributable to owners of the Company				
Share capital	76,985	76,985	76,985	76,985
Reserves	18,927	14,828	1,204	1,074
Retained earnings	178,842	177,722	69,223	70,456
	274,754	269,535	147,412	148,515
Non-controlling interests	12,296	11,469	-	-
Total equity	287,050	281,004	147,412	148,515
Non-current liabilities				
Borrowings	2,900	2,900	-	-
Lease liabilities	42,258	42,434	-	-
Deferred income	108	162	-	-
Deferred tax liabilities	21,322	19,499	-	-
Provision for reinstatement cost	5,948	5,948	-	-
	72,536	70,943	-	-
Current liabilities				
Trade and other payables	8,362	7,818	336	407
Amounts due to subsidiaries	-	-	526	509
Current tax liabilities	1,843	993	65	171
Lease liabilities	1,141	1,452	-	-
Current borrowings	18,800	20,000	-	-
	30,146	30,263	927	1,087
Total liabilities	102,682	101,206	927	1,087
Total equity and liabilities	389,732	382,210	148,339	149,602

C. Condensed Interim Statements of Changes in Equity

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

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

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

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

D. Condensed Interim Consolidated Statement of Cash Flows

	6 Months ended 30-06-2021	6 Months ended 30-06-2020
	\$'000	\$'000
Cash flows from operating activities		
Profit/ (loss) before income tax	14,586	(7,724)
Adjustments for:		
Depreciation and amortisation expenses	5,708	5,065
Equity-settled share-based payment transactions	203	268
Loss on disposal of property, plant and equipment	8	30
Government grant utilised	(56)	(42)
Finance income	(2,113)	(2,404)
Finance cost	891	1,018
Exchange gains	(1,099)	(1,329)
Operating profit/ (loss) before working capital changes	18,128	(5,118)
Changes in working capital:		
Trade and other receivables	(10,162)	(568)
Inventories	(38)	13
Trade and other payables	434	(3,100)
Cash generated from/ (used in) operating activities	8,362	(8,773)
Income taxes paid	(1,608)	(1,541)
Net cash from/ (used in) operating activities	6,754	(10,314)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,264)	(3,347)
Interest received	1,714	1,265
Net cash used in investing activities	(550)	(2,082)
Cash flows from financing activities		
Dividend paid to owners of company	(8,551)	-
Dividend paid to non-controlling interests	-	(110)
Repurchase of own shares	(73)	(363)
Repayment of borrowings	(1,200)	(3,000)
Repayment of lease liability	(729)	(331)
Interest paid on lease liabilities	(749)	(759)
Interest paid on borrowings	(143)	(268)
Net cash used in financing activities	(11,445)	(4,831)
Net decrease in cash and cash equivalents	(5,241)	(17,227)
Cash and cash equivalents at beginning of the period	177,671	199,452
Effects of exchange rate fluctuations	4,452	3,842
Cash and cash equivalents at end of the period	176,882	186,067

E. Selected Notes to the Condensed Interim 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 30 June 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	
	1H2021	1H2020	1H2021	1H2020	1H2021	1H2020	1H2021	1H2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenue	16,049	5,055	4,456	486	1,360	685	21,865	6,226
Interest revenue	1,615	1,725	8	48	33	38	1,656	1,811
Interest expense	206	205	685	813	-	-	891	1,018
Insurance claim recovery	-	-	10,405	-	-	-	10,405	-
Depreciation and amortisation	2,095	1,986	3,399	2,873	179	171	5,673	5,030
Reportable segment profit/ (loss) before income tax	7,520	(1,224)	5,928	(7,343)	415	(64)	13,863	(8,631)
Reportable segment assets	164,839	155,135	170,474	171,100	12,202	9,724	347,515	335,959
Capital expenditure	1,024	767	783	2,223	446	347	2,253	3,337
Reportable segment liabilities	18,809	15,615	108,546	109,683	5,946	4,401	133,301	129,699

Disaggregation of revenue

	Aquariums		Giant Observation Wheel		Others		Total	
	1H2021	1H2020	1H2021	1H2020	1H2021	1H2020	1H2021	1H2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Type of goods or services:								
Ticketing	15,278	4,839	3,626	31	1,360	685	20,264	5,555
Retail	633	152	195	9	-	-	828	161
Food and beverages	138	64	329	351	-	-	467	415
Others	-	-	147	81	-	-	147	81
Rental from lease under investment property	-	-	159	14	-	-	159	14
	16,049	5,055	4,456	486	1,360	685	21,865	6,226
Geographical information:								
China	16,049	5,055	-	-	1,360	685	17,409	5,740
Singapore	-	-	4,456	486	-	-	4,456	486
	16,049	5,055	4,456	486	1,360	685	21,865	6,226

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

i) Segment profits or loss

	1H2021	1H2020
	\$'000	\$'000
Profit or loss		
Total profit/ (loss) for reportable segments	13,863	(8,631)
Unallocated amounts:		
- Head office and corporate expenses	(1,773)	(1,868)
- Head office and corporate income	1,421	1,876
- Elimination on consolidation	1,075	899
Consolidated profit/ (loss) before income tax	14,586	(7,724)

ii) Segment assets and liabilities

	30-06-21	30-06-20
	\$'000	\$'000
Assets		
Total assets for reportable segments	347,515	335,959
Unallocated head office and corporate assets:		
- Property, plant and equipment	1,898	1,954
- Right-of-use assets	8	3
- Loan and advances to subsidiaries	26,750	26,750
- Other amounts due from subsidiaries	10,144	9,822
- Cash and short-term bank deposits	44,859	61,687
- Others	208	280
Elimination on consolidation	(41,650)	(39,888)
Consolidated total assets	389,732	396,567
Liabilities		
Total liabilities for reportable segments	133,301	129,699
Unallocated head office and corporate liabilities:		
- Other payables and accruals	673	583
- Dividend payables	-	21,553
- Amounts due to subsidiaries	5,698	5,425
- Lease liabilities	8	3
- Deferred tax liabilities	4,587	4,632
- Current tax liabilities	65	153
Elimination on consolidation	(41,650)	(39,888)
Consolidated total liabilities	102,682	122,160

iii) Other material items

	Reportable segment totals	Unallocated corporate amounts	Consolidated total
	\$'000	\$'000	\$'000
<u>1H2021</u>			
Interest revenue	(1,656)	(457)	(2,113)
Interest expense	891	-	891
Insurance claim recovery	(10,405)	-	(10,405)
Capital expenditure	2,253	11	2,264
Depreciation and amortisation	5,673	35	5,708
<u>1H2020</u>			
Interest revenue	(1,811)	(593)	(2,404)
Interest expense	1,018	-	1,018
Capital expenditure	3,337	10	3,347
Depreciation and amortisation	5,030	35	5,065

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
<u>1H2021</u>		
China	17,409	39,115
Singapore	4,456	154,930
	21,865	194,045
<u>1H2020</u>		
China	5,740	38,991
Singapore	486	161,313
	6,226	200,304

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:

	1H ended		6 Months ended	
	30-06-2021	30-06-2020	30-06-2021	30-06-2020
	\$'000	\$'000	\$'000	\$'000
Depreciation expenses	5,704	5,061	5,704	5,061
Amortisation of intangible assets	4	4	4	4
Insurance claim recovery	(10,405)	-	(10,405)	-
Interest income	(2,113)	(2,404)	(2,113)	(2,404)
Interest expense	891	1,018	891	1,018
Foreign exchange gains	(1,094)	(1,328)	(1,094)	(1,328)
Loss on disposal of property, plant and equipment	8	30	8	30
Government grant	(910)	(1,381)	(910)	(1,381)

- Depreciation expenses comprise depreciation of property, plant and equipment and depreciation of investment property.
- Interest income is mainly from fixed deposits placed with financial institutions.
- Interest expense is mainly attributable to the bank borrowing for the purpose of acquiring the assets of Singapore Flyer, as well as the interest on lease liabilities.
- Foreign exchange gains arise mainly due to the movement of Renminbi against Singapore Dollars.
- Government grant includes amount received or recognized under the Singapore government's job support scheme

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:

	1H2021	1H2020
	\$'000	\$'000
Current income tax	2,399	112
Deferred income tax	1,822	(519)
Under provision of income tax in prior financial period	27	57
	4,248	(350)

6. Earnings per share

Earnings/(losses) per share	1H ended	
	30-06-2021	30-06-2020
(a) Based on the number of ordinary shares in issue (cents)	1.13	(0.77)
(b) On fully diluted basis (cents)	1.13	(0.77)

The calculation of basic earnings per share for 1H ended 30 June 2021 is based on the net profits attributable to shareholders for the 1H ended 30 June 2021 divided by the weighted average number of ordinary shares outstanding of 855,079,326.

The calculation of basic losses per share for 1H ended 30 June 2020 is based on the net losses attributable to shareholders for the 1H ended 30 June 2020 divided by the weighted average number of ordinary shares outstanding of 862,159,250.

The calculation of diluted earnings per share for 1H ended 30 June 2021 is based on the net profits attributable to shareholders for the 1H ended 30 June 2021 divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 855,409,586.

The calculation of diluted losses per share for 1H ended 30 June 2020 is based on the net losses attributable to shareholders for the 1H ended 30 June 2020 divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 862,480,087.

7. Net asset value

	Group		Company	
	30-06-2021	31-12-2020	30-06-2021	31-12-2020
Net asset value per ordinary share (cents) based on number of issued shares excluding treasury shares at the end of:	32.14	31.52	17.24	17.37

Net asset value per ordinary share was calculated based on 854,965,680 ordinary shares issued (excluding treasury shares) as at 30 June 2021 and 855,095,680 ordinary shares issued (excluding treasury shares) as at 31 December 2020.

8. Dividends

No interim dividend for the half year ended 30 June 2021 (30 June 2020: Nil) is recommended as the Group intends to conserve cash. 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 30-06-2021	At 31-12-2020	At 30-06-2021	At 31-12-2020
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	177,882	178,671	43,033	44,379
Trade and other receivables	14,155	3,383	568	468
Loans and advances to subsidiaries	-	-	26,750	26,750
Financial assets at amortised cost	192,037	182,054	70,351	71,597
Financial liabilities				
Trade and other payables	(6,352)	(6,021)	(862)	(916)
Lease liabilities	(43,399)	(43,886)	-	-
Borrowings	(21,700)	(22,900)	-	-
Financial liabilities at amortised cost	(71,451)	(72,807)	(862)	(916)

10. Investment property

	At 30-06-2021	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 depreciaton and impairment		
Beginning of financial year	6,973	3,584
Depreciation charge	394	789
Impairment	-	2,600
End of period/ financial year	7,367	6,973
Net book value	20,276	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 2020, the fair value of investment property was determined to be approximately \$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 30 June 2021, the Group acquired assets amounting to \$2.264 million (30 June 2020: \$3.347 million). Cash payment of \$2.264 million (30 June 2020: \$3.347 million) were made to purchase these assets.

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 30 June 2021			
Cost	1,419	3,345	4,764
Accumulated amortisation	-	3,277	3,277
Net book value	1,419	68	1,487

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.

Goodwill for this CGU was not tested for impairment because there were no impairment indicators as at 30 June 2021.

13. Borrowings

	Group			
	At 30-06-2021		At 31-12-2020	
	<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	18,800	-	20,000	-
Amount payable after one year	-	2,900	-	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.

14. Share Capital

Pursuant to the Share Buy-back Mandate approved by shareholders, the Company purchased a total of 130,000 shares by way of on-market purchases for a total consideration of \$73,000 (including transaction costs) in 1H2021. 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 30 June 2021 comprised 854,965,680 (30 June 2020: 862,139,580) ordinary shares and 13,963,900 (30 June 2020: 6,790,000) treasury shares.

No share options were exercised and 2,176,000 share options had lapsed or expired in 1H2021. As at 30 June 2021, options to subscribe for 24,430,000 (30 June 2020: 22,844,000) ordinary shares remain outstanding.

(i) Total number of issued shares excluding treasury shares

	As at 30-06-2021	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	S\$'000
Balance as at 31-12-2020	13,833,900	7,507
No. of shares purchased	130,000	73
Balance as at 30-06-2021	13,963,900	7,580

F. Other Information required by Listing Rule Appendix 7.2

1. Review

The Condensed Consolidated Statement of Financial Position of Straco Corporation Limited and its subsidiaries as at 30 June 2021 and the related Condensed Consolidated Profit or Loss and Other Comprehensive Income, Condensed Consolidated Statement of Changes in Equity and Condensed 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 first half of FY2021, the Group generated sales of \$21.86 million, significantly higher than the corresponding period in 1H2020 when the global COVID-19 pandemic adversely impacted on our Group. The two aquariums in China were temporarily closed for half of the 6 months period in 1H2020 and rides on Singapore Flyer were suspended for almost 6 months; initially due to a minor technical issue involving a spoke cable and subsequently due to the Singapore Government's "Circuit Breaker" order in April 2020. There were no temporary closures of our attractions in 1H2021, albeit operating with safe distancing and preventive measures and capacity restriction in accordance with the authorities' directive.

Overall visitation to all our attractions totalled 888,000 visitors for the half year, significantly higher than the corresponding period of 297,000 visitors in 1H2020.

Other income increased significantly over corresponding period, mainly due to the arbitration award for the insurance claim receivable amounting to \$10.4 million (including interest and cost) being recognised by Singapore Flyer and higher income from concessionaire sales, offset by lower amounts received under the Singapore government's job support scheme and lower interest income.

Operational Results

Total Expenses (excluding finance cost) for 1H2021 was 20.29 million, an increase of 18.6% from 1H2020. Exchange gain of \$1.09 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. Depreciation and amortisation expenses increased, mainly due to the commencement of depreciation for the new Time Capsule at Singapore Flyer and Sperm Whale Exhibition zone at Underwater World Xiamen. Expenses such as cost of sales of retail and F&B, sales and marketing expenses, and utilities expenses were higher in the absence of temporary closures of our attractions as in 1H2020. Rental expense increased, mainly due to the much higher variable land rental payable at Shanghai Ocean Aquarium as revenue was significantly higher than 1H2020. Property and other taxes were \$0.76 million in 1H2021, compared to a negative amount in 1H2020, as property tax was waived in 2020 and not accounted for in 1H2020, while a refund of property tax was received by Singapore Flyer arising from revision in 2018/2019 annual values in 1H2020.

Profit before tax was \$14.59 million for 1H2021, compared to a loss before tax of \$7.72 million recorded in 1H2020. Taking away the arbitration award and exchange gains recorded, profit before tax for this period would have been approximately \$3.09 million.

Balance Sheet items

Trade and other receivables increased 264.7% from \$3.89 million at 31 December 2020 to \$14.2 million at 30 June 2021, due to the increase in trade receivables at our two aquariums, increase in tenants' dues from rental at Singapore Flyer, increase in other receivables arising from the

arbitration award receivable and fixed deposits interest receivable recognized in the current period. The arbitration award was subsequently received in full in July 2021.

Other current assets increased 35.3% from \$0.99 million at 31 December 2020 to \$1.34 million at 30 June 2021, mainly due to increase in prepayment of insurance premiums at Singapore Flyer arising from the yearly renewal in May 2021, and increase in prepayments at Lixing Cable Car arising from yearly renewal of insurance in June 2021, renewal of yearly rental of ticketing booth at Hua Qing Palace, and prepayment of certain repair and maintenance works.

Reserves increased 27.6% from \$14.83 million at 31 December 2020 to \$18.93 million at 30 June 2021, mainly due to the translation gain of \$3.97 million arising from the stronger RMB currency against SGD at the end of the current period compared to the end of last 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.

Deferred income decreased 33.3% from \$0.16 million at 31 December 2020 to \$0.11 million at 30 June 2021, due to the periodic recognition of deferred income to profit & loss in the current period.

Current tax liabilities increased 85.6% from \$0.99 million at 31 December 2020 to \$1.84 million at 30 June 2021, mainly due to the provision of income tax for the 2Q2021 profits generated by our China subsidiaries, offset by payment of 4Q2020 income taxes of China subsidiaries in the current period and instalment payment of YA2020 income tax at HQ.

Cash flow Statement

The Group reported net cash generated of \$6.75 million from operating activities for 1H2021, compared to net cash of \$10.31 million used in 1H2020. Repayment of borrowings in 1H2021 amounted to \$1.2 million, compared to \$3.0 million in 1H2020, as Singapore Flyer has been granted reduced loan principal repayment of \$0.2 million per month by DBS from January 2021, while the monthly \$1.0 million of principal repayment was deferred last year from April 2020 till December 2020. Dividend of 1.0 cent per share for FY2020 was paid out to the Company's shareholders in the current period, upon the passing of resolution at the AGM held in April 2021, while no dividend was paid out in 1H2020, as the AGM for FY2019 was deferred due to the Covid-19 and therefore the final dividend in respect of FY2019 which was usually paid in May was delayed and paid in July 2020.

As at 30 June 2021, the Group's cash and cash equivalent balance amounted to \$176.88 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 14 May 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") saw double-digit growth of 12.7% year-on-year in the first half of 2021 as it continued to recover from the adverse impacts of the Covid-19 pandemic. Despite the uncertainties from the global spread of the pandemic and the unbalanced recovery domestically, it was reported that China's economy is expected to maintain the recovery trend in the second half of 2021, considering the supply-demand cycle, market confidence and increasingly strong domestic demand.

Singapore's economy grew strongly by 14.3% on a year-on-year basis in the second quarter of 2021, largely due to the low base in the second quarter of 2020 when GDP fell 13.3% due to the Circuit Breaker ("CB") measures implemented from 7 April to 1 June 2020. On the tourism sector, further delay in recovery in this sector is likely as international travel restrictions are likely to be lifted more slowly, amidst rising global infections and uncertainties over the spread of more contagious variants of the Covid-19.

As the Covid-19 situation remains uncertain with the more transmissible Delta variant in recent months, the Group will continue to monitor and assess the impact on its operations.

5. Dividend information

(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.

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

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. Negative confirmation pursuant to Rule 705(5)

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge and belief, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six months ended 30 June 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Wu Hsioh Kwang
Chairman

Lim Song Joo
Director

BY ORDER OF THE BOARD,

Lotus Isabella Lim Mei Hua
Company Secretary
13 August 2021