



MEDIA RELEASE

Straco reports double-digit growth in revenue and earnings for 2Q

Financial Highlights (S\$'mil)	3 months to 30 June			6 months to 30 June		
	2015	2014	% change	2015	2014	% change
Revenue	29.39	19.67	49.4	54.54	34.34	58.9
Profit before tax	15.79	12.75	23.8	28.21	20.97	34.5
Profit attributable to shareholders	10.46	8.33	25.6	19.14	13.74	39.4
Earnings per share (Scts)	1.22	0.98	24.5	2.25	1.62	38.9
Net asset value per share (Scts)	-	-	-	22.63	18.33	23.5

- 2Q revenue grew 49.4% to \$29.39 million
- Positive contribution by the Singapore Flyer
- Healthy cash balance of \$108.84 million

SINGAPORE, 14 August 2015:- Mainboard-listed Straco Corporation (“Straco” or “the Group”), a developer and operator of tourism-related attractions, reported a 49.4% surge in revenue to \$29.39 million for the second quarter ended 30 June 2015, compared to 2Q2014, mainly attributable to the revenue contributed by the Singapore Flyer, as well as more visitors to its Shanghai Ocean Aquarium (“SOA”) and the stronger RMB currency against SGD compared to 2Q2014. Group profit was S\$10.46 million for the quarter, an increase of 25.6% compared to 2Q2014.

For the quarter under review, overall visitation to all the attractions increased 19.5% over 2Q2014 to 1,229,000 visitors with the addition of the Singapore Flyer to the Group.

Cumulatively, Group revenue for 1H2015 registered growth of 58.9% year on year, mainly attributable to the revenue contributed by the Singapore Flyer. Group profit for 1H2015 increased 39.4% over the corresponding period to \$19.14 million, in part due to the exchange loss of \$1.41 million recorded in 1H2014 as opposed to an exchange gain of \$68,000 recorded in 1H2015. Taking away the exchange differences in both periods, Group profit for 1H2015 would have increased approximately 26% over 1H2014, attributable to the profit contributed by the Singapore Flyer, as well as increased profitability at SOA.

Commenting on the results, Straco's Executive Chairman, Mr Wu Hsioh Kwang said: "The acquisition of the Singapore Flyer has contributed positively to our Group's performance. SOA continued to achieve positive growth in revenue and profit in the second quarter, while Underwater World Xiamen ("UWX") performance continued to be hit by falling visitor numbers resulting from the changes in ferry regulations since last October and restriction on daily visitor numbers to Gulangyu Island. We generated net cash from operating activities of \$14.82 million for the second quarter, 46% higher than the operating cash flow generated in the corresponding period."

Mr Wu added: "Since April this year, we have extended the operating hours of UWX to mitigate the effects of falling visitor numbers. At Singapore Flyer, we have strengthened our marketing team with new hires to improve sales; we will also continue to streamline processes, eliminate wastages and improve operational leverage to enhance profitability."

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.

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About Straco Corporation

Straco Corporation Limited ("Straco"), listed on the Singapore Stock Exchange in 2004, is a leading developer and operator of aquatic-related facilities and tourism-related assets. Straco's main operating assets include Shanghai Ocean Aquarium, situated in the New Pudong Area, next to Shanghai's landmark Oriental Pearl Tower; Lixing cable car service at Mount Lishan in Lishan in Lintong District, Shaanxi province; Underwater World Xiamen on the scenic Gulangyu Island, a key tourist attraction of Xiamen City, and the Singapore Flyer, an iconic landmark located in the Marina Bay skyline.

Straco has been constantly sourcing for tourism projects to tap into the expected tourism boom in Asia. The Group will leverage on its experience and track record in the China market to form strategic investment alliances to develop and operate tourism resources in China and the region.