



## MEDIA RELEASE

### Straco reports growth in revenue for 1Q

Financial Highlights (S\$'mil)	3 months to 31 March		
	2016	2015	% change
<b>Revenue</b>	26.43	25.15	5.1
Profit before tax	12.16	12.41	-2.0
Profit attributable to shareholders	8.34	8.68	-4.0
Earnings per share (Scts)	0.97	1.02	-4.9
Net asset value per share (Scts)	26.24	23.76	10.4

- 1Q revenue grew 5.1% to \$26.43 million
- Net cash of \$69 million

SINGAPORE, 10 May 2016:- Mainboard-listed Straco Corporation (“Straco” or “the Group”), a developer and operator of tourism-related attractions, reported a 5.1% increase in revenue to \$26.43 million for the first quarter ended 31 March 2016, compared to 1Q2015, mainly attributable to higher revenue contributed by the Singapore Flyer, Shanghai Ocean Aquarium (“SOA”), and Lixing Cable Car (“LCC”), partially offset by lower revenue from Underwater World Xiamen (“UWX”). Group profit was S\$8.34 million for the quarter, 4% lower than that of 1Q2015.

For the quarter under review, overall visitation to all the attractions increased 5.1% over 1Q2015 to 991,000 visitors.

Commenting on the results, Straco’s Executive Chairman, Mr Wu Hsioh Kwang said: “Net profit dropped 4% over last year’s corresponding period despite a 5.1% revenue growth, attributable to the start-up cost of the Chinese Restaurant at Singapore Flyer which commenced business in February, higher staff cost on more headcount, as well as the sales tax on ticket revenue paid by SOA this quarter while pending waiver to be granted for this year. No sales tax on ticket revenue was paid by SOA in 1Q2015. Excluding the sales tax paid, net profit would have been in line with 1Q2015. We generated net cash from operating activities of \$13.2 million for the quarter, 20% higher than 1Q2015.”

Mr Wu added: “The outlook of China’s tourism appears positive, as the country seeks to promote tourism as a new economic growth engine. However, the National Bureau of

Statistics of China reported that China's gross domestic product ("GDP") grew 6.7% in the first quarter of 2016, the slowest quarterly growth in seven years, but in line with its target range of 6.5% to 7% for the year."

On the tourism sector, it was reported that China will invest 20% more in its tourism industry this year, compared to 2015, as tourism is playing an increasingly important role in the China economy, accounting for about 10.8% of total GDP growth and 10.2% of national employment in 2015.

In Singapore, it was reported that tourist arrival increased 12.3% year-on-year in January and February this year, according to preliminary estimates by Singapore Tourism Board ("STB"). For 2016 as a whole, STB projected a 0-3% increase in visitor arrivals and 0-2% growth in tourism receipts, amidst global uncertainties, competition from regional tourist destinations and leaner corporate budgets.

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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.