



## MEDIA RELEASE

### Straco reports lower revenue and earnings for 2Q

Financial Highlights (S\$'mil)	3 Months to 30 June			6 Months to 30 June		
	2018	2017	% change	2018	2017	% change
<b>Revenue</b>	28.27	30.21	-6.4	47.07	57.74	-18.5
Profit before tax	15.33	16.62	-7.8	21.66	29.86	-27.5
Profit attributable to shareholders	10.83	11.41	-5.1	14.38	20.33	-29.3
Earnings per share (Scts)	1.26	1.33	-5.3	1.67	2.36	-29.2
Net asset value per share (Scts)	-	-	-	30.32	27.69	9.5

- 2Q revenue decreased 6.4% to \$28.3 million
- 2Q earnings decreased 5.1% to \$10.8 million
- Paid out \$21.6 million in dividends
- Net cash of \$136.5 million

*SINGAPORE, 14 August 2018:-* Mainboard-listed Straco Corporation (“Straco” or “the Group”), a developer and operator of tourism-related attractions, reported a 6.4% decline in Group revenue to \$28.27 million for the second quarter ended 30 June 2018 compared to 2Q2017, mainly attributable to lower revenues contributed by the Shanghai Ocean Aquarium (“SOA”) and Singapore Flyer. Group profit was \$10.83 million for the quarter, 5.1% lower than that of 2Q2017.

For the quarter under review, overall visitor numbers to all the attractions decreased 1.2% over 2Q2017 to 1.22 million visitors.

Cumulatively, Group revenue for 1H2018 decreased 18.5% from last year corresponding period, mainly attributable to a ride suspension of over two months of our Singapore Flyer during the first quarter due to a technical issue, as well as lower revenue at SOA. Group profit for 1H2018 decreased 29.3% compared to 1H2017, mainly attributable to the losses suffered by our Singapore Flyer due to the rides suspension mentioned above.

Commenting on the results, Straco’s Executive Chairman, Mr Wu Hsioh Kwang said: “We are happy that the Singapore Flyer had resumed its rides operation from 1<sup>st</sup> April, much to the delight of tourists. Our China operations remained fairly stable for the quarter under review. While SOA’s revenue had declined mainly on the value-added taxes on ticket revenue accounted and paid upfront starting this year, this has been partly mitigated by

higher revenue generated by Lixing Cable Car and Underwater World Xiamen this quarter.”

Mr Wu added: “Despite the lower profitability for the year-to-date, our cash position remain strong with net cash balance of \$136.5 million, after paying out \$21.6 million in dividends and making loan instalments and interest repayments of \$6.6 million this half year.”

The National Bureau of Statistics of China reported that China’s gross domestic product (“GDP”) grew 6.7% in the second quarter of 2018, down from the first quarter’s 6.8% growth, amid the escalating trade tension with the United States. For the first half of 2018, GDP expanded 6.8% to about 41.9 trillion yuan, with consumption contributing to 78.5% of economic growth. Average disposable income in 1H2018 also up 6.6% to 14,063 yuan year-on-year.

On the tourism sector, data from China’s National Tourism Administration (“CNTA”) showed that China’s domestic tourism industry earned 4.57 trillion yuan with 5 billion domestic trips made in 2017, up 15.9% and 12.8% respectively. The country has set the target of earning 5.98 trillion yuan in its tourism industry in 2018.

In Singapore, the economy grew 3.8% year-on-year in 2Q2018, based on advance estimates from the Ministry of Trade and Industry. On the tourism sector, Singapore Tourism Board (“STB”) statistics showed that overall visitor arrivals for January to May period increased 6.9% year-on-year to 7.65 million. Tourism receipts are forecasted to be in the range of \$27.1 billion to \$27.6 billion (up 1-3%) and international visitor arrivals in the range of 17.6 million to 18.1 million (up 1-4%) this year.

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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.