

STRACO CORPORATION LIMITED
Company Registration Number: 200203482R
(Incorporated in the Republic of Singapore)

AWARD OF INSURANCE CLAIMS BY THE SINGAPORE INTERNATIONAL ARBITRATION CENTRE (“SIAC”) ARBITRATION TRIBUNAL FOR THE BREAKDOWN OF THE SINGAPORE FLYER ON 25 JANUARY 2018

The Board of Directors of Straco Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to refer to its previous announcement titled “Update on Insurance Claims for the breakdown of the Singapore Flyer on 25 January 2018” released on 25 June 2018 (the “**Announcement**”).

In the Announcement, the Company had disclosed that the insurer has denied claims for the cost of repairs and loss of profit arising from the breakdown on the ground that the reason for the breakdown and the principal reason for the loss of profit fall under certain exclusions set out in the Property Damage & Business Interruption (Industrial All Risk) Insurance Policy.

Straco Leisure Pte Ltd (“Straco Leisure”), the subsidiary that operates the Singapore Flyer, has in July 2019 attended a mediation session at Singapore International Mediation Centre. An offer by the insurer as settlement was rejected by Straco Leisure and Straco Leisure had since pursued the claim through arbitration via the SIAC. The 4 days arbitration hearing had taken place in January 2021.

The Company wishes to announce that Straco Leisure had on 2 June 2021 been notified by SIAC that an award had been issued in its favour. The award to Straco Leisure comprises sums claimed under the aforesaid Policy in full, namely: (i) S\$103,727.25 (being subject to 10% deductible of the net amount claimed) for property damage arising from machinery breakdown; and (ii) S\$8,171,146.06 being business loss or loss of profits arising from machinery breakdown, together with interest thereon at 5.33% p.a., from 26 April 2018 until the date of payment, and (iii) costs.

The insurer has 3 months from 2 June 2021 to make an application to Court if it wishes to set aside the award.

The award of the insurance claim is likely to have a positive material financial impact on the Group’s financial results for the year ending 31 December 2021.

Shareholders are advised to exercise caution when trading in the shares of the Company as the award is subject to an application by the insurer to Court to set aside the award. In the event of any doubt as to the action they should take, Shareholders and potential investors should consult their stock brokers, bank managers, solicitors or other professional advisors. The Company will make the necessary announcements as and when there are further material developments on the award, in compliance with the Listing Rules.

By Order of the Board

Lotus Isabella Lim Mei Hua

03 June 2021