



MEDIA RELEASE

Straco reports full year profit of S\$11.6 million

Financial Highlights (S\$'mil)	6 Months to 31 December			12 Months to 31 December		
	2021	2020	% change	2021	2020	% change
Revenue	20.05	23.33	-14.1	41.91	29.56	41.8
Profit/ (loss) before tax	1.96	6.85	-71.4	16.55	(0.87)	<i>n.m.</i>
Profit/ (loss) attributable to shareholders	1.90	5.67	-66.6	11.57	(0.98)	<i>n.m.</i>
Earnings/ (losses) per share (Scts)	0.22	0.66	-66.7	1.35	(0.11)	<i>n.m.</i>
Net asset value per share (Scts)	-	-	-	32.63	31.52	3.5

- Full year revenue increased 41.8% to \$41.9 million
- Net asset value per share increased 3.5% to 32.63 cents
- Net cash of \$168.89 million, 19.8 cents per share
- Proposed first and final dividend of 1.0 cent per share

SINGAPORE, 25 February 2022:- Mainboard-listed Straco Corporation (“Straco” or “the Group”), a developer and operator of tourism-related attractions, reported a 14.1% decline in Group revenue to \$20.05 million for the second half ended 31 December 2021 compared to 2H2020, attributable to lower revenues at its three China attractions, Shanghai Ocean Aquarium (“SOA”), Underwater World Xiamen (“UWX”), and Lixing Cable Car (“LCC”) as visitor numbers declined amidst the resurgence of Covid-19 in various provinces, which saw the re-imposition of tightened measures, area lockdowns and restrictions on people’s movement, resulting in lower visitor arrivals during the peak season of the summer holidays and National Day golden week; while revenues from Singapore Flyer also decreased due to ride suspension during necessary replacement and maintenance works.

Group profit was \$1.9 million for 2H2021, 66.6% lower than that of 2H2020, mainly attributable to the lower profits generated by our China attractions, and an impairment loss of \$2.1 million recognized on the property, plant and equipment at Singapore Flyer and its investment property.

For the second half under review, the Group received 0.72 million visitors to all its attractions, about 29% lower than 2H2020.

Cumulatively, Group revenue for FY2021 increased 41.8% from FY2020 and Group profit was \$11.57 million, compared to a net loss of \$0.98 million in FY2020.

Commenting on the results, Straco's Executive Chairman, Mr Wu Hsioh Kwang said: "It has been another challenging year for our Group as our attractions continued to be affected by the global pandemic. Our three China operations remained profitable for the full year, while the Singapore operation benefited from the government support schemes which included the SingapoRediscover Vouchers ("SRV"), job support scheme and rental waivers.

Mr Wu added: "Our cash position remains strong with a net cash balance of \$168.9 million at the end of 2021. The term loan which was taken up to acquire Singapore Flyer in 2014, had also being fully repaid on maturity."

The National Bureau of Statistics of China reported that China's gross domestic product ("GDP") grew 8.1% for the full year of 2021, the largest jump since 2011. However, facing challenges brought about by the Covid-19 pandemic, the country has seen economic activities slowed down after a strong rebound of 12.7% growth in the first half of 2021. For the fourth quarter of 2021, the economy grew 4% year-on-year.

The protracted Covid-19 resurgence and China's zero-Covid strategy and accompanying restrictions continued to weigh on the tourism sector.

Singapore's economy grew 7.2% in 2021, according to advanced estimates released by the Ministry of Trade and Industry ("MTI"), rebounding from the 5.4% contraction in 2020. On the tourism sector, the Singapore Tourism Board ("STB") reported that international visitor arrivals ("IVA") and tourism receipts reached 330,000 and an estimated \$1.9 billion respectively in 2021, as various travel arrangements, such as Vaccinated Travel Lanes ("VTLs") has encouraged the gradual return of international travellers. IVA increased 221% in the last three quarters of 2021, compared to the same period in 2020. While it will take time for tourism numbers to return to pre-pandemic levels, the tourism sector had adapted to focus on domestic tourism, supported by STB initiatives such as the SingapoRediscover Vouchers ("SRV") scheme.

The resumption of MICE events also picked up pace in 2021, as more than 200 MICE events with almost 50,000 local and international attendees were hosted in 2021. STB will continue to build up the pipeline of MICE events and expand the range and scale of leisure and lifestyle events in 2022. It was also reported that Singapore will continue to host the Formula 1 Singapore Grand Prix for another seven years, from 2022 to 2028. While the tourism sector may face setbacks and challenges as it slowly recovers, STB will continue to work closely with tourism partners to capture growth and inspire travel to Singapore.

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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 constantly sources 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.