



MEDIA RELEASE

Straco reports operating losses on lower revenue in 1H2022

Financial Highlights (S\$'mil)	6 Months to 30 June		
	2022	2021	% change
Revenue	8.81	21.87	-59.7
Other income	2.59	13.90	-81.4
(Loss)/ Profit before tax	(9.49)	14.59	<i>n.m.</i>
(Loss)/ Profit attributable to shareholders	(8.46)	9.67	<i>n.m.</i>
(Loss)/ Earnings per share (Scts)	(0.99)	1.13	<i>n.m.</i>
Net asset value per share (Scts)	30.37	32.14	-5.51

- 1H revenue decreased 59.7% to \$8.81 million
- Other income decreased as 1H2021 included insurance claim recovery
- Loss of \$8.46 million for the first half
- Net asset value per share decreased 5.5% to 30.37 cents
- Net cash of \$148.44 million, 17.4 cents per share

SINGAPORE, 12 August 2022:- Mainboard-listed Straco Corporation (“Straco” or “the Group”), a developer and operator of tourism-related attractions, reported a 60% decrease in Group revenue to \$8.81 million for the first half ended 30 June 2022 compared to 1H2021. Significantly lower revenues were registered at all three China attractions amid strict control measures to curb increasing Covid-19 infections, resulting in our Shanghai Ocean Aquarium being closed for more than three months. Rides on the Singapore Flyer were also suspended for about three months following the detection of a technical issue during a routine maintenance inspection, in compliance with the authority’s directive. There were no temporary closures of our attractions in 1H2021, albeit operating with safe distancing and preventive measures and capacity restrictions in accordance with the authorities’ directive.

The Group reported net loss of \$8.46 million for the first half of the year, mainly attributable to losses incurred by all our attractions and an exchange loss of \$1.3 million recorded as RMB weakened against SGD in the current period. In comparison, the Group reported net profit of \$9.67 million for 1H2021, mainly due to an exchange gain of \$1.09 million and a \$10.4 million insurance claim award.

For the half-year under review, the Group recorded approximately 0.31 million visitors to all its attractions, significantly lower than the 0.89 million visitors in 1H2021.

Commenting on the results, Straco's Executive Chairman, Mr. Wu Hsioh Kwang said: "Our China attractions still face much uncertainty this year due to the Covid measures. As for the Singapore Flyer, we are seeing a gradual increase in visitors since the reopening of our borders in April 2022; this should further improve, barring any unforeseen circumstances."

Mr. Wu added: "Nevertheless, our financial position remains strong with the Group's net cash holdings of \$148.4 million as at 30 June 2022."

The National Bureau of Statistics of China reported that China's gross domestic product ("GDP") grew 2.5% year-on-year in the first half of 2022, dragged down by a slow 0.4% expansion in the second quarter from the same period last year, as the economy was affected by the Covid lockdowns. Shanghai, in particular, was in a two-month city-wide lockdown that stretched from April to June, resulting in a 13.7% contraction in Shanghai's GDP.

Singapore's economy grew 4.8% on a year-on-year basis in the second quarter of 2022, according to advance estimates released by the Ministry of Trade and Industry ("MTI"). On the tourism sector, the Singapore Tourism Board ("STB") had reported that, with the reopening of borders under the Vaccinated Travel Framework since 1 April 2022, Singapore received 1.5 million visitors in the first half of 2022, compared to 119,000 visitors in the same period of 2021. As global travel picks up pace, and with a strong pipeline of events such as Singapore Grand Prix 2022, as well as new and rejuvenated offerings, Singapore expects to receive between 4 to 6 million international visitors in 2022.

As uncertainties remain for the Covid-19 situation in China and with the increasing risk of stagflation in the world economy, the Group will continue to closely monitor and manage the impact on its operations.

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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.