



## MEDIA RELEASE

### Straco reports higher earnings for 3Q2006

Financial Highlights (S\$'mil)	9 months to 30 September		
	2006	2005	% change
<b>Sales</b>	14.73	13.88	6.1
Profit Before Tax	4.05	3.63	11.6
Net Profits Attributable to Shareholders	3.13	2.70	16.0
Earnings Per Share (Scts)	0.36	0.31	16.1
NTA (Scts)	9.70	9.51	2.0

SINGAPORE, 6 November 2006:- Mainboard-listed Straco Corporation (“Straco” or “the Group”), a developer and operator of tourism-related attractions, reported a revenue of S\$6.6 million and a net profit of S\$2.4 million for the quarter ended 30 September 2006, an increase of 8% and 18% respectively compared to 3Q2005.

For the quarter under review, visitor numbers to Shanghai Ocean Aquarium grew 10% over the same period in FY2005, as the Aquarium launched the “Discover the Amazon” campaign which had received wide local media coverage, including TV and newspapers. Corporate group registered the highest growth of more than 50% for 3Q2006, as the Aquarium succeeded in developing more sales channels during the quarter while walk-in and tour group grew by 3% and 6% respectively.

Cumulatively, Group revenue for the 9 months ended 30 September 2006 registered a growth of 6% year on year, while Group profit increased 16% when compared to the corresponding period.

Commenting on the results, Straco’s Executive Chairman Mr Wu Hsioh Kwang said “We are encouraged by the 3Q performance which surpassed last year’s performance during the summer holiday. Our earnings per share for the 9 months ended 30 September 2006 went up by 16% to 0.36 cents.”

Mr Wu added: “..year-to-date, we generated operating cashflow amounting to \$5.8 million, and had fully repaid the remaining bank borrowing during the quarter.”

In the first three quarter of 2006, China economy grew by 10.7%, in line with economists' expectations. Inflation edged up a bit as consumer prices rose 1.5% in the year to September. The measures imposed by the Central government to avert the overheated economy has taken effect as third quarter gross domestic product, which was up 10.4% from the same period last year, drop from the 11.3% rate reported for the second quarter.

In Shanghai, the train service that link Shanghai to Lhasa, the capital of Tibet, started operation on 1 October 2006. This is expected to spur growth in pillar industries such as tourism.

The Group continues to seek and evaluate high quality tourism and entertainment projects to broaden its earnings base and enhance shareholder value.

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#### About Straco Corporation

Straco Corporation Limited is a leading developer and operator of tourism-related assets in China. It was listed on the Mainboard of the Singapore Exchange on 20 February 2004. Straco's key asset is the Shanghai Ocean Aquarium, one of the largest indoor, closed systems aquariums in the world with a total built up area of 20,000 m<sup>2</sup> and a designed capacity of 21,000 people per day. The world-class aquarium showcases over 10,000 fishes and marine livestock of over 350 species from all over the world. It is situated across the Huang Pu River in the New Pudong Area, next to Shanghai's landmark Oriental Pearl Tower.

Straco Corporation has been constantly sourcing for tourism projects to tap into the expected tourism boom in Asia. The Group is well placed to leverage on its experience and track record in the China tourism industry to form strategic investment alliance to develop and operate tourism resources in China.