



MEDIA RELEASE

Straco reports strong growth in earnings

Financial Highlights (S\$'mil)	9 months to 30 September		
	2007	2006	% change
Sales	18.54	14.73	25.9
Profit/(Loss) Before Tax	7.38	4.05	82.1
Net Profits Attributable to Shareholders	5.79	3.13	84.9
Earnings Per Share (Scts)	0.67	0.36	86.1
Net Asset Value Per Share (Scts)	10.07	9.70	3.8

SINGAPORE, 13 November 2007:- Mainboard-listed Straco Corporation (“Straco” or “the Group”), a developer and operator of tourism-related attractions, reported a 40% increase in net profits to \$3.3 million for the quarter ended 30 September 2007, compared to 3Q2006. Group revenue for 3Q2007 was \$8.7 million, an increase of 31% over the same period in FY2006 as visitor numbers at Shanghai Ocean Aquarium (“SOA”) grew 23% over 3Q2006.

For the quarter under review, visitors from all segments – walk-in, tour, corporate, and student groups achieved double-digit growth of 13% to 50% over the corresponding period in FY2006.

Cumulatively, Group revenue for the first 9 months of FY2007 registered a growth of 26% year on year. Group profit increased 85% to \$5.8 million compared to the corresponding period in FY2006.

Commenting on the results, Straco’s Executive Chairman Mr Wu Hsioh Kwang said “We are encouraged by the outstanding performance of SOA in the third quarter, which saw strong growth in visitor numbers from all segments and resulted in a 85% increase in our net profits for the 9 months period. Earnings per share increased, by 0.31 cents to 0.67 cents.”

Mr Wu added: “We launched a Deadly Animal Exhibition in May through October and our concerted marketing campaign has proved effective. We generated net operating cashflow of \$5.2 million for the quarter; and a total \$9.8 million for the first 9 months of the year, up 39% and 68% respectively from the corresponding periods in FY2006. On the Group’s strategic growth, we have acquired New Bay Holdings Pte Ltd, which owns 100% of Underwater World Xiamen. Barring any unforeseen circumstances, we are confident that the outlook for the Group remains bright.”

China economy grew 11.5% in the third quarter. Trade surplus swelled to a record US\$185.65 billion in the first nine months and pushed the nation’s foreign currency reserves to a record US\$1.43 trillion. The Chinese government will continue to promote more consumer spending and raise rural incomes to balance the economy that relies on investment and exports.

The favourable macro conditions augur well for the tourism industry as a whole and the Group’s Attractions in China. It has already manifested in the Group’s current year’s performance where visitors from all segments achieved double-digit growth.

The Group will continue to source for new growth engines 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 m² 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.