



MEDIA RELEASE

Straco reports increased revenue and profits for 1Q2008

Financial Highlights (S\$'mil)	3 months to 31 March		
	2008	2007	% change
Sales	6.17	3.82	61.4
Profit/(Loss) Before Tax	0.80	0.34	134.9
Net Profits Attributable to Shareholders	0.53	0.24	124.5
Earnings Per Share (Scts)	0.06	0.03	100
Net Asset Value Per Share (Scts)	10.19	9.65	5.6

n.m. – not meaningful

SINGAPORE, 12 May 2008:- Mainboard-listed Straco Corporation (“Straco” or “the Group”), a developer and operator of tourism-related attractions, reported a net profit of \$0.53 million for the first quarter ended 31 March 2008, double that of 1Q2007. Group revenue was S\$6.17 million, an increase of 61.4% over the same period in FY2007, as visitor numbers increased 62% over 1Q2007 with the addition of Underwater World Xiamen, which was acquired in October 2007 by the Group.

For the quarter under review, walk-in visitors grew 31.7%, tour groups registered strong growth of more than 300%, while corporate and student groups grew 4% and 16.7% respectively over the corresponding period in FY2007.

Commenting on the results, Straco's Executive Chairman, Mr Wu Hsioh Kwang said “We are pleased with the overall results which saw strong growth in revenue and earnings, despite the snow storm experienced throughout most part of China during the period. Our newly acquired subsidiary, Underwater World Xiamen, had also made a significant contribution in the quarter.”

Mr Wu added: “The current inflationary pressure may pose a threat to our business growth. However, with our Attractions at premier locations, and bearing in mind the sustained growth in the China economy and rising disposable income of our Chinese customers, we are confident that the outlook for the Group will remain bright.”

China’s economy grew by 10.6%, year-on-year in first quarter 2008 to 6.15 trillion Yuan, as reported by the National Bureau of Statistics. Inflation remains a source of concern, as consumer prices rose 8% in the first quarter, up 5.3 percentage points from a year ago.

The Chinese government has revamped the country’s holiday schedule this year. The May Day golden week has been replaced with 3 new 1-day holidays – Qing Ming Festival in April, Dragon-Boat Festival in June, and Mid-Autumn Festival in September. This augurs well for Attraction Operators as it will smoothen out cyclical impacts and ease the pressure on transportation infrastructure. As this is the first year of implementation, the subsequent impact on tourism industry remains to be seen.

The Group will continue 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. 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 also owns and operates Lixing cable car service at Mount Lishan in Lishan in Lintong District, Shaanxi province. In 2006, Straco started a joint venture, Straco Creation Pte Ltd (“SCPL”), with Mr Carl Clerico, who is the third generation of the Clerico family which has managed the Lido and Moulin Rouge in Paris for more than 60 years. SCPL’s first production “Paris Plumes!” debuted in December 2007, in the major Chinese cities of Shenzhen, Guangzhou, Shanghai and Beijing. In October 2007, Straco acquired Underwater World Xiamen (“UWX”) on Gulangyu Island, a key tourist attraction of Xiamen City. The aquarium, with over 4 million litres of water capacity, features marine animal performances displays a wide variety of fresh water and marine livestock.

Straco Corporation has been constantly sourcing 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.