

STRACO CORPORATION LIMITED
Registration Number: 200203482R
(Incorporated in the Republic of Singapore)

PROFIT GUIDANCE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The Board of Straco Corporation Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the business update for the quarter ended 30 September 2020 announced by the Company on 13 November 2020, and wishes to announce that following a preliminary review of the Group’s unaudited financial results for the financial year ended 31 December 2020 (“FY2020”), the Group is expected to report a net loss for FY2020 compared to a net profit for the corresponding financial year ended 31 December 2019.

The loss is mainly attributable to the following:

- a) The Company is in the process of finalising the valuations on the Group’s investment properties as at 31 December 2020. Based on indicative values, the Company expects to recognise impairment losses on the Group’s investment properties at its subsidiary company, Straco Leisure Pte Ltd, which are non-cash in nature.
- b) Lower revenue resulting from the adverse impact of the COVID-19 pandemic

Notwithstanding the above, the overall financial position of the Group remains healthy.

The Company is still in the process of finalising the unaudited financial results of the Group for FY2020. Further details of the Group’s financial results will be disclosed when the Company announces its unaudited financial results for FY2020, on 27 February 2021.

In the meantime, shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board

Lotus Isabella Lim Mei Hua
Company Secretary
11 February 2021