



## MEDIA RELEASE

### Straco reports 72% jump in earnings for 1H2009

Financial Highlights (S\$'mil)	3 months to 30 June			6 months to 30 June		
	2009	2008	% change	2009	2008	% change
<b>Sales</b>	8.36	7.59	10.2	15.52	13.76	12.7
Profit/(Loss) before tax	2.25	2.11	6.7	5.24	2.91	80.2
Profits for the year attributable to shareholders	1.30	1.48	-11.9	3.45	2.01	71.6
Earnings per share (Scts)	0.15	0.17	-11.8	0.40	0.23	73.9
Net asset value per share (Scts)	n.m.	n.m.	-	11.24	10.05	11.8

n.m. – not meaningful

*SINGAPORE, 13 August 2009:-* Mainboard-listed Straco Corporation (“Straco” or “the Group”), a developer and operator of tourism-related attractions, reported a net profits of \$1.30 million for the second quarter ended 30 June 2009, after accounting for an exchange loss of \$1.04 million for the quarter, as the RMB currency weakened against the SGD in the second quarter. Group revenue was S\$8.36 million, an increase of 10.2% over 2Q2008, despite a marginal drop of 0.1% in overall visitations to our two main attractions, Shanghai Ocean Aquarium (“SOA”) and Underwater World Xiamen (“UWX”).

For the quarter under review, walk-in visitors grew 20.7%, student groups registered growth of 23.6%, while tour and corporate groups declined 23.3% and 27.9% respectively over the corresponding period in FY2008.

Cumulatively, Group revenue for 1H2009 registered growth of 12.7% year on year. Group profits increased 71.6% over the corresponding period to \$3.45 million.

Commenting on the results, Straco’s Executive Chairman, Mr Wu Hsioh Kwang said “We are happy with the second quarter results which saw revenue grow 10.2%, amid the economic slowdown and the H1N1 flu outbreak. While not totally

insulated from the impact of macro factors, our group business has proven to be quite resilient. Overall performance for the 1H2009 is satisfactory, with strong growth in our earnings. Our earnings per share increased 74% to 0.40 cents compared to 1H2008.”

Mr Wu added: “We continue to be optimistic on the outlook for domestic tourism in China. The diminishing H1N1 threat and the improvement in consumer confidence augur well for the Group business.”

The National Bureau of Statistics reported that China’s economic growth accelerated to 7.9% from a year earlier in the second quarter of 2009, amid a stimulus-fueled surge in consumer spending, factory output and investment.

In the first half of this year, the gross domestic product of the World’s third-largest economy grew 7.1% year-on-year, while consumer price index went down by 1.1%.

On the tourism sector, it was reported that China’s tourism revenue is expected to rise 3% this year to 1.3 trillion Yuan (US\$176 billion) as domestic travel will help offset falling inbound tourism, which has suffered from the global recession and the H1N1 flu outbreak. The Chinese tourism authorities had launched a series of stimulus plans to boost domestic tourism, such as promotion of rural tourism and tourism coupons, which helped boost domestic tourism.

Other than the above, we are not aware of any impending factors or events that may affect the Group in the next 12 months.

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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 include 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, and the 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 and displays a wide variety of fresh water and marine livestock. 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.

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.

