



星雅集团
STRACO

MEDIA RELEASE

Straco reports \$9.53 million in 3Q net profit

Financial Highlights (S\$'mil)	3 months to 30 September			9 months to 30 September		
	2011	2010	% change	2011	2010	% change
Sales	17.85	24.67	-27.6	36.25	42.28	-14.3
Profit before tax	13.49	16.93	-20.3	20.91	23.91	-12.5
Profit for the period attributable to shareholders	9.53	11.51	-17.2	14.38	16.18	-11.1
Earnings per share (Scts)	1.10	1.32	-16.7	1.66	1.86	-10.8
Net asset value per share (Scts)	-	-	-	14.18	12.59	12.6

SINGAPORE, 10 November 2011:- Mainboard-listed Straco Corporation (the Group), a developer and operator of tourism-related attractions, reported a net profit of \$9.53 million for the third quarter ended 30 September 2011. Group revenue was S\$17.85 million, a decrease of 27.6% from 3Q2010, attributable to the decline in revenue from Shanghai Ocean Aquarium (SOA) where performance during 3Q2010 significantly benefited from the 6 months long World Expo event.

For the quarter under review, combined visitation to our two main attractions, SOA and Underwater World Xiamen (UWX) registered a 19.0% decrease from 3Q2010. Visitor arrival to SOA dropped 43.5%; while UWX saw visitor numbers surged 46.3% due to the increasing popularity of Xiamen city as a tourism destination, mitigating the decline in SOA. However, lower proportion of the high-yield walk in visitors resulted in the 27.6% decline in revenue.

Cumulatively, Group revenue for the nine months of 2011 decreased 14.3% year on year. Group profits decreased 11.1% from the corresponding period to \$14.38 million.

Commenting on the results, Straco's Executive Chairman, Mr Wu Hsioh Kwang said "Our Group generated a net profit of \$9.53 million for the quarter, despite the drag on overall revenue in the absence of the one-off World Expo event. Nevertheless, our UWX and Lixing Cable Car operations continue to register strong growth in revenue, partially offsetting the decline in revenue experienced at SOA. Overall performance for the 9

months is satisfactory, with \$14.38 million in net profit achieved and operating cash flow of \$18.88 million generated. As a result, our Group's cash balances increased 22.4% to \$79.66 million from the beginning of the year and net assets value increased 12.6% to 14.2 cents per share.

Mr Wu added: "We continue to see the manifestation of the resilience and robustness of the Group business operations despite the volatility and uncertainties facing the global economy. Barring any unforeseen circumstances, we expect the Group to remain profitable for the full year."

The National Bureau of Statistics reported that China's economic growth slowed to 9.1% in the third quarter of 2011, amid tight monetary policy and fears in the Euro zone's debt crisis.

With inflation remaining high, the Chinese government is not expected to ease monetary policy. As the Group is debt free, we are not expected to be affected by the tight monetary policy but will benefit from the relatively higher deposit interest rate as our cash balances are mainly in RMB fixed deposits placed with reputable banks.

Despite the volatility in the global economy and the Euro zone debt crisis, our business is expected to remain robust in view of the strong domestic demand in China.

Other than the above, the Company is 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 ("Straco"), listed on the Singapore Stock Exchange in 2004, is a leading developer and operator of aquatic-related facilities and tourism-related assets in China. Straco's operating assets include Shanghai Ocean Aquarium, situated in the New Pudong Area, next to Shanghai's landmark Oriental Pearl Tower; Lixing cable car service at Mount Lishan in Lishan in Lintong District, Shaanxi province; and Underwater World Xiamen on the scenic Gulangyu Island, a key tourist attraction of Xiamen City. Apart from owning and operating tourist attractions, Straco also has an interest in the performing arts. Straco Creation Pte Ltd ("SCPL") was started, in 2006, as a joint venture company between Straco and Mr Carl Clerico of the Clerico family, the famous music-hall family that has managed the Lido and Moulin Rouge in Paris for more than 60 years. SCPL produced its first cabaret show "Paris Plumes!" in 2007 which toured the Chinese cities of Shenzhen, Guanzhou, Shanghai, and Beijing between December 2007 and January 2008; and Chengdu in 2011.

Straco 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.